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Has the Introduction of Homogenous Business
Management Structures Improved Flexibility in Liverpool
City Council?

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Abstract

May 2010 saw the emergence of a hung parliament from the general elections. The public had exercised their right to vote and made their decision. It is now the duty of the elected members of parliament to form a government that will govern in the interest of the country.

With a mountainous financial burden hanging over the nation, it has never been more important for public sector organisations to deliver value for money and maximise performance. All political parties have indicated that there will be cuts in the public sector and have recognised that the public sector will have to shrink, yet still deliver essential services.

This will involve a reshaping of the public sector, with fewer staff delivering services. It will require a more business oriented approach to service delivery with economies of scale and efficiency drives. It will require structural changes with multi-skilled staff delivering a more flexible approach to service delivery.

Such a change has already taken place within Liverpool City Council. The old council service structures have been replaced with new business unit structures.

But has the introduction of business units changed the way we work? Has it improved services? Has it improved the flexibility?

In this study we shall consider the flexibility issue. We shall develop a flexibility measurement model and put the new structure to the test.

Declaration

This work is original and has not been submitted previously for any academic purpose. All secondary sources are acknowledged.

Signed: _____

Date: _____

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Chapter 1 - INTRODUCTION

1.1 Background to the research

1.1.1 Organisational background

In 1999 the Office of the Deputy Prime Minister published a paper titled “Modernising Government”. Within this paper the objectives for local government were outlined as “delivering public services to meet the needs of citizens, not the convenience of service providers.” In the same year, the Government also introduced its Best Value legislation to ensure public services were delivering “Best Value”. This legislation was reinforced in 2001 by the introduction of the Comprehensive Performance Assessment which attempted to rate local authorities as poor, fair, good or excellent. This was subsequently replaced with a star rating with one star being poor and four stars being excellent.

In November 2007, the Audit Commission inspected Liverpool City Council and found it to have “inadequate performance – below minimum requirements” (Audit Commission, 2008) and was thus, a one star authority. This judgement was made due to the use of resources which were felt to be particularly weak with financial reporting, financial management and financial standing all being below minimum requirements.

A year earlier, a new Chief Executive had been appointed and the inspection judgement gave him the opportunity to change the structure of Liverpool City Council, replacing the old service areas with business units and structuring the business units around 3 main aims (appendix 1):

- Grow the economy
- Empower our residents
- Develop our communities

The new structures were introduced for the financial year 2009/10 with a standard set of business plan templates and reporting requirements. As a result of this change, the 2009 inspection rated Liverpool City Council’s use of resources as 2 out of 4 stating that they were “adequate”.

At the time of the Audit Commission's 2007 inspection, the world had not yet entered recession and although there were pressures to deliver "Value for Money", these pressures were set against a more stable economic environment. We are now facing a more uncertain future in local government with a large element of government savings being target at cutting budgets for services across local government and some local authorities already announcing thousands of redundancies. It is now even more essential that the Chief Executive builds structures that can deliver improved services, but can deliver those services in a tighter financial environment. It is also more likely that demand for some services will increase as recession causes greater levels of deprivation.

1.1.2 Academic background

Although Adam Smith's *Wealth of Nations* was originally published in 1776, it is the management theories of the last century that have gained an acceptance of the validity of management academia from the classical theorists such as Taylor, Fayol and Weber to the modern theorists such as Mayo, Simon and Woodward.

Over the last forty years we have seen more detailed analysis of organisational strategies with the likes of Mintzberg, Ansoff, Miles and Snow, Senge and Slack producing their analyses of different aspects of organisational strategy and design. Although they recognise different organisational structures, all academics point to the importance that planning takes within the field of strategy. Mintzberg and Waters (1985) argued that the focus should not be on deliberate planning and control, but on developing the capacity to be responsive. Similarly, Ansoff (1978) argued that traditional strategies should be supplemented by flexible configuration strategies to enable the organisation to more effectively respond to strategic surprises.

Lindblom (1959) claimed that governments muddle through, creating policy on an incremental basis. This incrementalism requires organisations to be adaptable to fit the environment. Quinn (1980) concluded that the most successful organisations are those that adjust incrementally to match the changes in their environment.

This flexibility to adjust was further developed in resource based theory (Penrose 1959) which considers the organisation as a bundle of resources which can lead to superior performance. Although initially concentrating on physical resources, these

theories have now developed into consideration of the more intangible resources such as knowledge, learning and capabilities (Quinn, 1992; Teece et al., 1997).

Studies of flexibility over the last thirty years have tended to concentrate on the manufacturing sector as acknowledged by Slack (2005) but he also acknowledges that flexibility has been generally accepted as having a strategic role in being able to enhance business performance. He goes on to suggest that there are differing types of flexibility, a hypotheses that is supported by a number of other studies (Suarez et al, 1991; Verdu-Jover et al, 2004; Volberda, 1996).

It is against this theoretical background of the different types of flexibility that we that we aim to develop this paper, drawing conclusions from the research and making recommendations from the emerging evidence.

1.2 The research question

With the author's background in strategic change and performance management, the original idea for this paper was to consider the models of change management being utilised at the corporate level to implement recent structural changes. However, following a discussion with the Chief Executive of Liverpool City Council, the direction changed in favour of analysing the elements of flexibility that the recent changes have fostered.

An understanding of this topic will allow both the author and the organisation to reflect upon the recent changes and analyse if further changes are required in light of the changing environment that we now find ourselves in.

Utilising the checklist of attributes of a good research topic proposed by Saunders, Lewis and Thornhill (2009), the research question was narrowed down to be more specific and definitive.

With effective theoretical models available, and access to senior management within Liverpool City Council, it is possible to run the research utilising a questionnaire to gather evidence of the impact that the recent changes have had. The data collected from this questionnaire should allow an analysis and conclusions to be drawn that can be utilised in response to the research question.

1.2.1 Research question

“Has the Introduction of Homogenous Business Management Structures Improved Flexibility in Liverpool City Council?”

1.2.2 Research aims

- To understand contemporary thinking on flexibility.
- To understand contemporary models of measuring flexibility in organisations.
- To investigate the impact on flexibility by the introduction of Business Units in Liverpool City Council.
- To make recommendations for improving the impact of the new business unit structure on flexibility based on research aims one, two and three.

1.3 Justification for the research

Most learning cycles and reviews follow the typology described by Kolb (1984) with his learning circle. The standard process of reviewing changes to assess progress not only has justification in such theories but is also a pragmatic way of assessing if changes are working.

The implementation of homogenous structures across Liverpool City Council should allow the City to become more flexible with each business unit manager operating to the same standards within the same management structures.

It will also enable the City to react with greater speed to any future changes that may required either as a result of changes in legislation or changes to staffing across business units.

Slack (2005) has also noticed that most studies on flexibility tend to be undertaken in the manufacturing sector and this study should help in part, to redress the balance.

1.4 Methodology

Given that the researcher is the Head of a Business Unit within Liverpool City Council, much of the change being researched has been directly experienced by the

researcher. This gives the researcher an immediate objective ontological view given that the change has been driven primarily through management structures notwithstanding the social construction that is inherent with hierarchical position.

The researcher's epistemological view is that of a critical realist as described in Saunders, Lewis and Thornhill (2009). Whilst believing that the data is important and tells a story, it can be skewed and misinterpreted. There are no truly independent variables and most data needs to be contextualised to be fully understood.

This research will inform a separate report for the Chief Executive of Liverpool City Council and as such, this indicates an axiology (Fisher, 2007) that reflects the researcher's belief that findings in such research should be utilised as a feedback loop for the change to business units. This report can then be used either to establish that we are on the right track or that more needs to be done to improve flexibility.

From the paradigm of the critical realist we see the emergence of a survey research strategy as the data collected can be used to suggest reasons for relationships between variables (Saunders, Lewis and Thornhill, 2009).

Although usually associated with a deductive approach, the survey research strategy has been recognised by Page (2009) as being quantitative or qualitative and possibly orthodox or gnostic. The possibility of having a survey that can be both orthodox and gnostic is directly in line with the paradigm used in this study.

Another aspect of this study is that it is internal to the organisation which means that we have a greater level of control and higher return rate for a survey should be possible.

1.5 Outline of the Chapters

1.5.1 Chapter 1 - Introduction

This chapter introduces the research question, giving the background to the emergence of the question and the justification for it. The justification is outlined both in terms of the theoretical purpose and the practical purpose within Liverpool City

Council. The methodology is briefly outlined and justified given the context of the study.

1.5.2 Chapter 2 – Literature Review

Current theories of flexibility are examined in detail and consideration is given to the history of such theories to understand their development. These theories and historical studies are critically assessed to extract elements of theory that are relevant for this study.

Sources utilised for this review include internet searches, journal articles, books and conference papers on aspects of change management, flexibility, strategy and public sector management.

This chapter builds the theoretical foundation from which the research is carried out. It explores theoretical models and enables us to build our own conceptual model to answer the research question.

1.5.3 Chapter 3 – Methodology

This chapter discusses research philosophy and outlines the main methodology used. Data collection methods are discussed in detail and ethical issues addressed.

1.5.4 Chapter 4 – Findings

Results of the study are presented in formats that include tables and graphs drawn from the data collected. Emergent patterns are presented and explained in terms of purely statistical interpretation.

1.5.5 Chapter 5 – Analysis and Conclusions

An analysis of the findings presented in the previous chapter is carried out and the methodology is critically appraised.

Based on this critical analysis we are able to draw conclusions about the research aims and the research question. We are also able to highlight the limitations of the study and present opportunities for further areas of study.

1.5.6 Chapter 6 – Recommendations

Based on the conclusions drawn in chapter 5, we make a number of recommendations, providing appropriate detailed justification for the recommendations and appropriate options to take the recommendations forward.

1.6 Summary

This chapter discusses the background to the study and introduces the research question and research aims. Both the research and the methodology are justified and the format of the report is outlined. With this introduction, the dissertation can proceed in the manner outlined in this chapter.

Chapter 2 – LITERATURE REVIEW

2.1 Introduction

In considering our research question, it was necessary to review relevant literature on the subject and the parent disciplines. In this chapter we shall discuss some recent models of flexibility and see themes emerging from the body of literary theory discussed. We shall build the foundation upon which the research is based, discuss the relevance of that theoretical foundation and propose a conceptual model that allows the research to take place.

2.2 Parent disciplines / fields / themes

The study of flexibility appears to come from the requirement that organisations need to be able to cope with change. Definitions of flexibility are abound with the management of change and being able to change over time. The parent discipline of change management, therefore needs to be given an element of consideration.

2.3 Change Management

The research question emerged from a recent strategic change in the structure of Liverpool City Council. Brown, Waterhouse and Flynn (2003) have stated that governments are faced with an emerging public conviction that the public sector is too large and inefficient. This point is further emphasised by the Audit Commission (2007) who state that councils are under increasing pressure to improve performance and engage in new, complex ways of working. O'Brien (2002) also made the point that the traditional model of public sector organisation is not perceived to be successful at adapting to the rapid rates of social change that we now face.

Johnson (2004) found that change is often forced on an organisation by regulations, customers or other environment factors and indeed, the need for change is often a result of a crisis for survival. In a study of the healthcare sector Heng, McGeorge and

Loosemore (2005) found that the sector always required new approaches to coping with changes.

The environment for public agencies can change rapidly (Andrews et al 2009) and Walker and Boyne (2006) highlight the drive placed on Local Authorities to align their administration with the service objectives.

However, this image of public sector not being able to change is not unique to this sector and Kotter (2006) states that no organisation is immune from change. Kotter and Schlesinger (2008) also state that “it must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things.” Change is now so rapid and continuous that management studies no longer refer to change management but to how best to manage in times of change (Burke, 2007).

Liverpool City Council find themselves in a rapidly changing environment with a poor audit inspection (Audit Commission, 2008) at a time when national government have indicated spending cuts will be required. As an organisation’s environment becomes more complex and unpredictable there is a need for a more organic structure (Burnes and Stalker, 1961).

Miles & Snow (1978) asserted that organisational performance is greatest when external and internal factors are in alignment. They argued that organisations face both an “entrepreneurial” problem over which strategy to choose and an “administrative” problem over the structures and processes required to implement the strategies. Their typology is generally supported (Hambrick, 1983, 1984; Shortell and Zajack, 1990; Webster, 1992) and has been found to be applicable across a number of industries (Hambrick, 2003).

Strategy selection is generally thought to be conditional on environmental conditions (Porter, 1980) and under high levels of environmental uncertainty, a business unit may need to respond rapidly to unforeseen changes (Covin and Slevin, 1989) but different strategy types may be more appropriate under certain environmental circumstances (Hambrick, 1983).

Schumpeter (1934) points to the importance of reacting to the changes in the business environment and Child (1972) notes the importance of structures that could change quickly to change an organisation's competitive stance.

From this collection of theoretical literature, we are starting to see the emergence of more organic structures as organisations face the challenge of changing to align themselves with their environment. This introduces the concept of flexibility and the ability of the organisation to cope when change is needed.

2.4 *Flexibility*

The strategic direction set out by the Chief Executive in his "Future Shape Of Liverpool City Council" briefing paper, clearly indicated a move towards more homogenous business units intended to provide the council managers with a greater degree of flexibility and improved performance (appendix 1).

2.4.1 Strategy, alignment and the paradox

Organisational flexibility is inherently related to the organisational environment (Volberda, 1996). In order to adopt the most effective strategies and design, firms must be aware of their environment (Miles & Snow, 1994).

Whilst Rowe and Wright (1997) define flexibility as the organisation's ability to change its policies, practices and procedures easily and quickly to adapt to the different and changing environment demands, Slack (2005) proposes that flexibility is determined by resources and processes and as such is an integrative concept. He believes that we need to look at the full organisational context and not just a part of the organisation.

Wright and Snell (1998) argue, however that flexibility is purely an internal variable linked to a set of theoretically related fundamental variables (Venkatraman, 1989) and Riley & Lockwood (1997) believe functional flexibility is about having employees who are multi-skilled and who can therefore move between jobs or tasks as demand

arises whereas Verdu-Jover et al, (2008) propose that flexibility is the dynamic operational capability of the organisation to remain co-aligned with the external environment over time.

Verdu-Jover et al (2008) indicate that flexibility is a new paradigm. Goldhar (1984) goes further and suggests that introducing greater flexibility into an organisation replaces “economies of scale” with “economies of scope”. Schumpeter (1934), Child (1972) and Porter (1985) all indicate the value of strategic flexibility and Sommer (2003) defined the concept in terms of organisational speed and flexibility.

Whilst it is recognised that managers require a balanced mix of stability and flexibility (Bahrami, 1992), Adler (1988) suggests that the key is to find the correct mix of stabilities and flexibilities to gain the greatest advantage. Utilising the resource based view of the organisation, Barney (1991) suggests that business units will deploy resources and capabilities strategically to enable them to exploit their own distinctive competencies. It is those business units that best develop and manage their capabilities through time that will show the highest levels of performance (Day, 1990).

Performance will reduce however, if there is a lack of alignment of the organisation’s strategy with its environment (Venkatraman and Prescott, 1990). This lack of alignment is referred to as the flexibility gap by Rowe and Wright (1997) and Wright and Snell (1998). There have been few studies of how the service sector responds to changes in environment (Harvey et al., 1997) and Verdu-Jover et al (2004) agree that although this is recognised as an important part of performance improvement, there are few studies that measure this gap.

However some authors argue that that fit and flexibility cannot co-exist. Millman et al (1991) believe that the concepts of fit and flexibility are at opposite ends of a continuum and are therefore opposed, hence they cannot co-exist.

Rowe and Wright (1997) and Wright and Snell (1998) propose that the concepts of fit and flexibility are independent and as such can compliment each other whilst Verdu-

Jover et al (2004) suggest that fit is a temporary state whilst flexibility is a permanent characteristic.

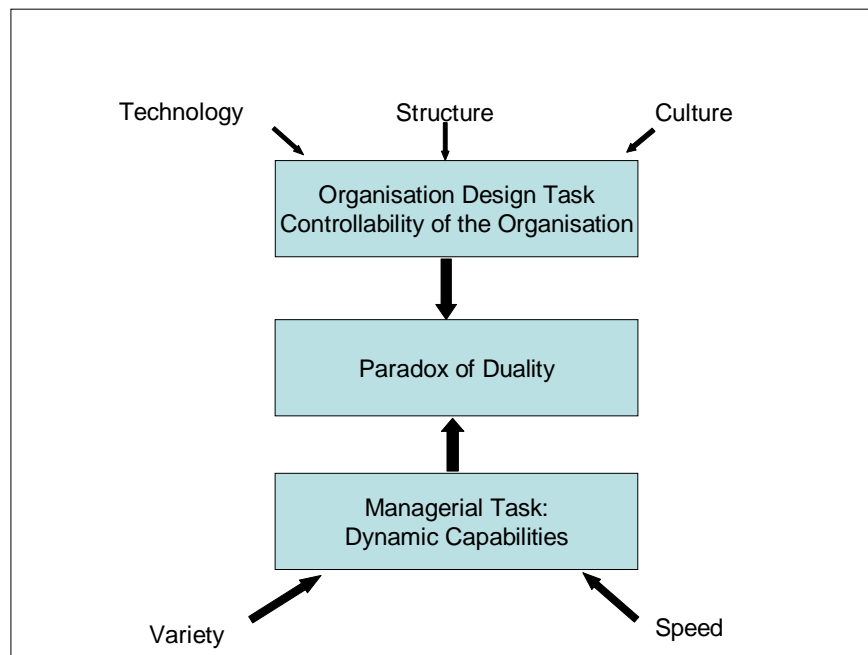
Abernathy (1978), Gerwin (1993) and Suarez et al (1995) all argue that efficiency requires bureaucratic forms of organisation which in themselves hinder the application of flexibility. They argue that it is the standardisation of processes that creates efficiency. However, Chase and Bowen (1991) and Armistead and Clark (1994) argue that it is possible for firms to maintain their quality and productivity standards whilst adopting more organic structures.

Pagell and Krause (1999) do not find any relationship between environmental uncertainty and flexibility but they admit their study was restricted to operational flexibility with no account of structural or strategic flexibility.

Weick (1982) argues that total flexibility makes it impossible for the organisation to retain a sense of identity and continuity. In essence, there is a risk that the organisation will descend into chaos. There is, therefore a need to maintain the controllability of the organisation within a backdrop of stability (Volberda, 1996).

A framework for flexibility is suggested by Volberda (1999) that can be utilised across both the manufacturing and service sectors. The framework suggests a fit between required flexibility, real flexibility and potential flexibility. Volberda (1996) also draws attention to the paradox of duality where the paradox exists between the control capacity of management and the responsiveness of the organisation. These two elements must remain in balance. Management must have the dynamic capabilities to be able to respond at the right time and in the right way, but the organisation must also be capable of reacting in the right way as well. Volberda (1996) refers to organisational flexibility as the outcome of the interaction between responsiveness of the organisation design tasks and the managerial capabilities (figure 2.1).

Figure 2.1 Organisational Flexibility and the Associated Managerial and Organisation Design Tasks (Volberda, 1996)



Dynamic capabilities are also used in organisational change literature to consider the change process (Zajak et al, 2000). These are referred to as a set of processes that enable the integration and co-ordination of resources (Eisenhardt & Martin, 2000; Teece et al, 1997).

The design of the organisation or the organisational design task is essential to ensuring the flexibility of the organisation (Ittner and Kogut, 1995; Volberda 2009).

Whilst the technological determinists (Woodward, 1965; Thompson, 1967; Perrow, 1967) argue that technology is the primary determinant of an organisation's structure and culture, Gillespie and Mileti (1977) conclude that technology is treated as an independent variable, confused with structure and crudely measured.

Having said this, it can be acknowledged that technology has become a major factor in flexibility and Mintzberg (1979) refers to his configuration hypothesis as the consistency among technological, structural and cultural design variables.

The structural design of the organisation can range from the mechanistic to organic (Burns and Stalker, 1961). However, only minor incremental changes are possible in formalised and centralised structures (Cohn and Turyn, 1984).

Organic structures can range from divisionalised form to matrix form with few hierarchical levels. Essential for the organic forms are planning and control systems that are predominantly performance oriented instead of means oriented and allow for ambiguous information, experimentation and intuition (Volberda, 1996).

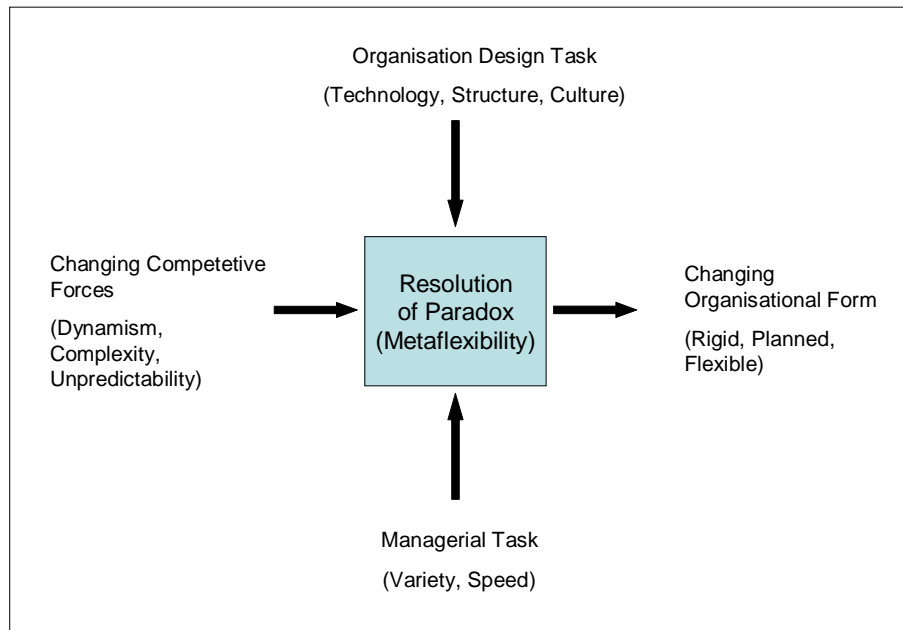
Howard (1992) points to the example of Xerox which was able to exploit its superior technological and market capabilities by creating business divisions with self-organizing teams.

The organisational culture consists of beliefs and assumptions which are held relatively commonly throughout the organisation (Bate, 1984) and these beliefs may constrain managerial capabilities when previously unspecified contingencies take place (Camerer and Vepsäläinen, 1988).

The culture can range from conservative to innovative. At one end of this spectrum we can see a conservative culture which has a strong homogenous identity with a low tolerance for ambiguity. These cultures tend to have directive leadership with a strong discipline dominance. At the other end is the innovative culture with heterogeneous identity and broad scope. Leadership tends to be delegative with a bias towards improvisation. There is a high tolerance of ambiguity and violation of formal rules is possible (Volberda, 1996).

Kanter (1983) refers to the constructive tension between the development of dynamic managerial capabilities and the design of the organisation to enable use of those capabilities. It is at this point that Volberda (1996) proposes the concept of metaflexibility. This he defines as the ability to be able to appropriately mix the other types of flexibility and introduces his conceptual model of organisational flexibility to demonstrate the importance of metaflexibility (figure 2.2).

Figure 2.2 Conceptual Model of Organisational Flexibility (Volberda, 1996)



The output of this model is the creation of an organisation which can be regarded as rigid, planned or flexible. The rigid form has a flexibility mix that can be regarded as steady-state flexibility with mature technologies, a mechanistic structure and a conservative culture.

The planned form is similar but with a greater variety of routines. This form can be compared with Weber's ideal bureaucracy (Perrow, 1986).

The flexible form has a large flexibility mix but the controllability of the organisation remains high. Change in this form can be implemented easily through adaptation within current technology and structure (Ansoff and Brandenburg, 1971).

There is a danger that the flexible form becomes a chaotic form of organisation in which the range of possible procedures is so large that decision making capacity is greatly reduced (Eppink, 1978; Scott, 1965). This can result in organisational drift through strategic neglect which Burgelman (1983) states is a more or less deliberate tendency not to pay attention to the administrative structure of the organisation. This is exacerbated by the lack of strong strategic orientation to counter opportunistic behaviour on the part of some participants in the organisation.

Dramatic redesign however, is often necessary to deploy new capabilities (Craig, 1996).

2.4.2 Types of flexibility

Slack (2005) points out that flexibility has come to play a centrally important strategic part in achieving competitive advantage and refers to flexibility as a core competence. He does recognise aspects of flexibility – volume versus variety; infrastructural flexibility; response flexibility; hidden characteristics such as operational flexibility. He also acknowledges the flexibility paradigm of the offset of flexibility and the associated costs. “If flexibility is an important concept in operations management, it should be explored in all types of operation, not just in manufacturing”. In his earlier work, Slack (1987) suggests 4 types of flexibility in his total manufacturing system – product, mix, volume, delivery.

Most theories agree that financial flexibility is a key element (Evans, 1991; Upton, 1994; Sanchez, 1995; Volberda, 1998; Sommer, 2003) of organisational flexibility and it is recognised that financial flexibility has a significant influence on achieving managerial flexibility (Sommer, 2003) but many also add meta-capabilities with the ability to integrate existing capabilities with new ones (Henderson and Cockburn, 1994) and absorptive capacity or higher order learning (Zahra and George, 2002).

Volberda (1996) looks at flexibility as the interaction between the managerial capabilities and the organisation design task (figure 2.1) and the managerial capabilities are defined in terms of a hierarchy that includes operational, structural and strategic flexibilities whereas the organisation design task is a balance of variety and speed that define the environment within which the organisation exists.

The balance between forecasting and flexibility is highlighted by Bukszar (1999) and this fits well with Volberda (1996) and the assignment that metaflexibility is the administrative ability to resolve paradoxes (figure 2.2).

Slack (1987) suggests a flexibility hierarchy and although this is aimed at the manufacturing sector, aspects of his hierarchy remain true in his updated paper of 2005, however he does stress the importance of “supply chain flexibility” which may be more appropriate in the manufacturing sector than in the service sector.

The “dynamic capabilities” are seen by combining the possible outcomes of speed and variety to give a flexibility mix. This mix is seen as a hierarchy of capabilities and we can distinguish between 4 different types of flexibilities: steady state, operational, structural and strategic (Grant, 1996; Ansoff and Brandenburg, 1971; Volberda 1996) (figure 2.3).

Figure 2.3 Types of Flexibility - Volberda (1996)

Variety	<i>High</i>	Structural	Strategic
	<i>Low</i>	Steady-State	Operational
		<i>Low</i>	<i>High</i>
		Speed	

It can be seen that steady state exists where there is a high level of stability with few changes required. This gives management time to react to any environmental changes and stability is the optimal performance solution.

Operational flexibility allows a rapid response to familiar change requirements. The organisation will usually have been through this change previously and routine capabilities will be used that enable a rapid change to meet the new challenge and all organisations possess a set of physical, human, organisational and financial resources that can be used to carry out strategies that create value (Eisenhardt and Martin, 2000).

Richardson (1996) demonstrated fashion apparel firms have developed such flexibility that allows manufacturers to respond to peaks of demand during the sales season.

Structural flexibility is required when managerial capabilities are required to change the workings of the organisation, its decision and communication processes in an evolutionary way (Krijnen, 1979). Volberda (1996) cites job enlargement, creation of work cells, changes in organisational responsibilities, changes in control systems and interchangeable personnel as examples of structural flexibility.

Strategic flexibility is required when the organisation is a change that will have far reaching consequences for the organisation and needs to happen quickly. This requires management capabilities related to the goals of the organisation. Management may need to dismantle current strategies (Harrigan, 1985) as there are no routine solutions to these situations. New values and norms may be necessary and past experience may not provide an advantage (Newman et al., 1972).

There must be financial flexibility which empowers the organisation to integrate, construct and re-shape resources to confront rapidly changing environments. This along with other dynamic capabilities enables the organisation to create a fresh configuration to meet the changing environmental conditions (Teece and Pisano, 1994). This allows the organisation to alter the current base of existing financial resources to create (integrate, re-design, increase, liberate). The advantage stems from the new financial resources base brought about through financial flexibility and not from the financial resources themselves (Verdu-Jover et al., 2008). An example of this is the learning associated with job practice or learning on the job however, there is no evidence to determine that learning organisations are exclusively large companies or those with a large stock of financial resources (McGill and Slocum, 1993).

Financial flexibility should be viewed as a key influence on how organisations structure their operations (Singh and Hodder, 2000). Without an optimal flexible financial structure that guarantees financing of changes, the flexibility fit is not possible. Greater managerial flexibility cannot be explained by a higher level of resources, but rather, a greater flexibility in managing them.

2.4.3 Models and measurement

Flexibility has been looked at from many angles: operational flexibility (Harvey et al., 1997; Perry, 1992), working environment flexibility (Hooks and Higgs, 2002), workforce flexibility (Beyers and Lindahl, 1999; Riley and Lockwood, 1997) or structural flexibility (Arrowsmith and McGoldrick, 1996; Morris, 1998; Smith, 1994) however few studies utilise flexibility indices in an attempt to measure flexibility.

Whether we use Lewin's (1951) change model or Kotter's (1995) 8 step model, to address the change to business units, we need to be able to measure the level of flexibility that we have achieved and how much further we need to go with the change process to realise the performance we seek.

Kathuria (1998) developed a set of scales to measure organisational flexibility however this is developed from a manufacturing perspective. Martinez-Sanchez et al (2008) also introduce a model of flexibility and Collins and Schmenner's (1993) rigid flexibility model is another manufacturing based model.

Most flexibility studies are skewed towards the manufacturing sectors but there are some studies of service sectors such as Silvestro (1993) and Correa and Gianesi (1994).

This makes measurement of flexibility in the newly established business units difficult. However there are models that can be adapted and used.

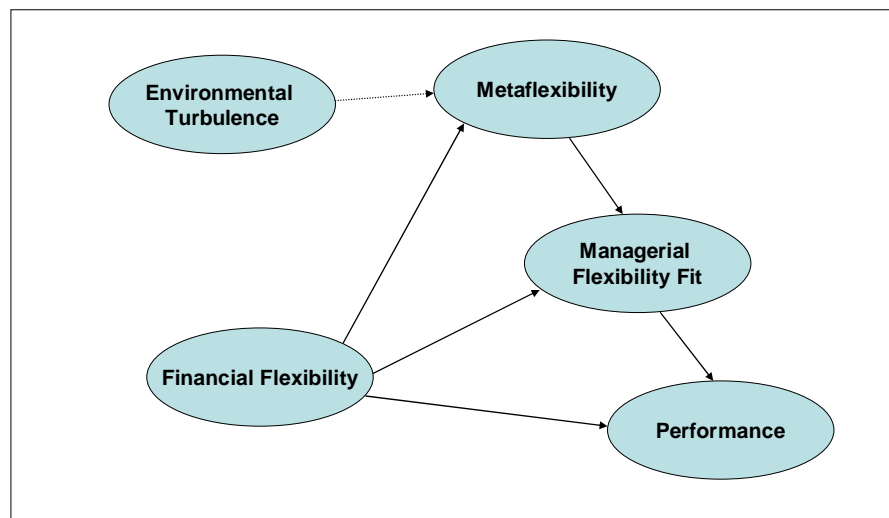
De Toni and Tonchia (1998) established their own vertical classification of flexibility. They also determine a horizontal classification of flexibility in order to examine the relationships between different types of flexibility.

Wadhwa and Rao (2002) proposed a six level flexibility maturity model. This is intended to allow the organisation to master one level and then move on to another, thus giving the organisation direction for improvement.

Verdu-Jover et al (2004) consider a mix of 56 items across operational, structural and strategic flexibility and with a total of 417 responding organisations conclude that the speed with which organisations respond to a changing environment is directly related to their performance. The service sector should, they state have the flexibility to change rapidly when their adjacent environment changes. However, as they acknowledge, this study was carried out at a specific moment in time and results may be skewed by the stability or otherwise of the environment that their respondents operate within.

Verdu-Jover et al (2008) proposed measurement of flexibility in terms of Financial Flexibility and Metaflexibility on a Likert-type scale (figure 2.4). It was found that managerial flexibility is conditioned by factors such as metaflexibility and financial flexibility. They also found that a greater level of organisational metaflexibility leads to a better fit of the level of managerial flexibility.

Figure 2.4 The Model of Managerial Flexibility (Verdu-Jover et al., 2008)



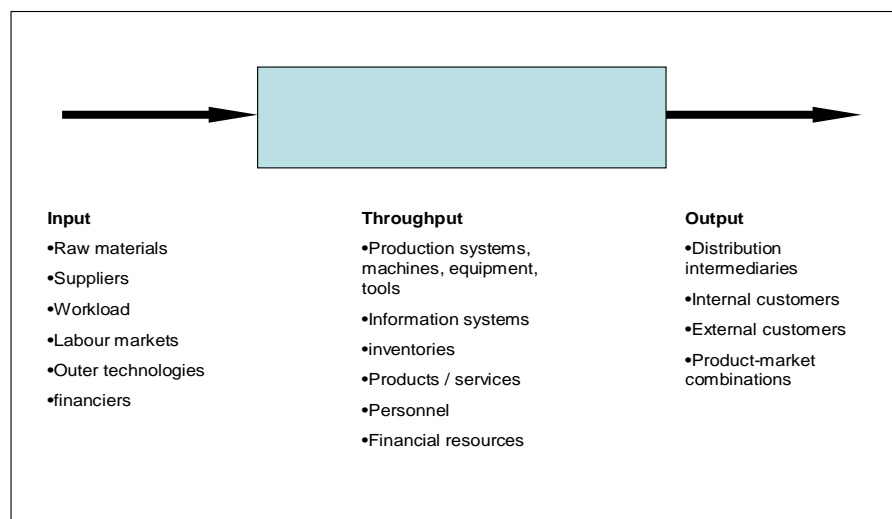
The study by Verdu-Jover et al (2008) has self-acknowledged limitations in that it was based on few factors. They were not able to study the impact of flexibility or change over time, but only at one specific point in time. Given the weight attached to the arguments of “fit” to the environment, it can be seen that such fit is only appropriate in specific conditions at a specific point in time. It may be that by the time

the organisation has adjusted to fit what they see as the environment, the environment has actually moved on and requires a new “fit”.

These studies are also geographically and sectorally limited. They concentrate on specific market segments within the “Western” world. Whilst most studies tend to concentrate on the manufacturing sector, those studies that aim to look at the service sector examine competitive markets, measuring success in commercial terms and as Verdu-Jover et al (2008) state “other sectors may give different results”.

The model is, however still worth consideration as it pulls together aspects of flexibility detailed earlier in this chapter.

Figure 2.5 Input – throughput – output diagram (Volberda, 2009)



The Flexibility Audit and Redesign (FAR) method (Volberda, 2009) establishes another model worthy of note. This model refers to what Volberda calls the “building blocks of flexibility” (figure 2.5) and designs a series of questions to enable flexibility diagnosis. In a similar way to the model proposed by Verdu-Jover et al (2008), this model is still primarily aimed at the manufacturing sector but there are aspects that can be useful in consideration of other sectors.

2.5 *Conceptual Model*

From the literature review we can see patterns emerging that feature in a number of studies:

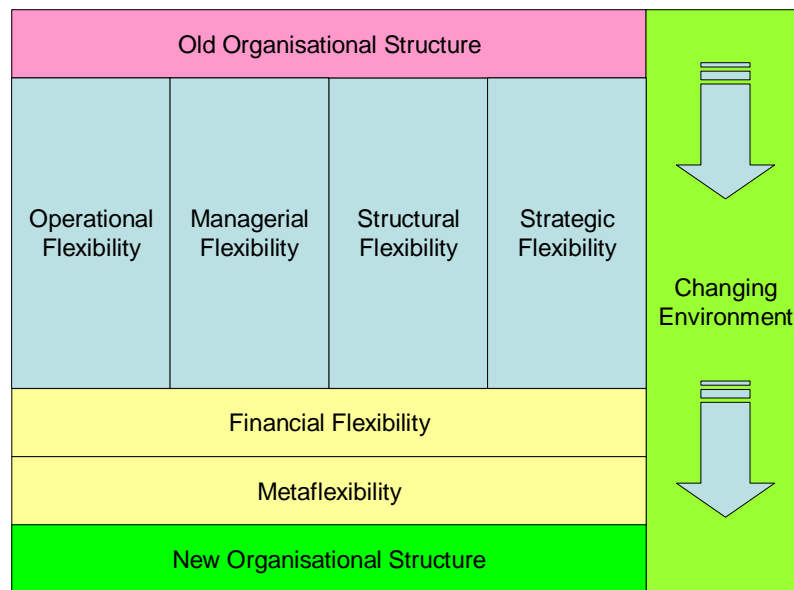
- The environment within which the organisation operates is fluid and requires the organisation to change to fit the environment. This fit maximises performance and as such, the organisation needs to maintain its flexibility to adapt to its environment.
- Flexibility has aspects that can be defined as operational, managerial, structural and strategic
- Financial flexibility has a wide impact on all aspects of flexibility
- Metaflexibility (or meta-capabilities) are required for the organisation and it's managers to mix the above aspects in a way that fits the environment

We have also seen that there have been few empirical models available to measure flexibility in organisations that are in the non-manufacturing sector. However Verdu-Jover et al (2008) developed a conceptual model that allowed a flexibility study to be carried out and Volberda (2009) also developed a conceptual model that allowed him to develop a generic flexibility audit tool.

Utilising both models, we can extract the aspects that have emerged from the wider literature review and propose the following conceptual model shown at figure 2.6 below.

This model demonstrates that as the environment changes the organisation needs to move from the old structure to the new structure. To do this, the organisation can utilise a mixture of operational, managerial, structural and strategic flexibility all of which are underpinned by both financial flexibility and metaflexibility. Only by the correct application of financial flexibility and the use of metaflexibility will the organisation be able to progress to the new structure required to meet the needs of the new environment.

Figure 2.6 Organisational Flexibility Model



Utilising this model, we can ascertain the degree of flexibility present by measuring each of the six flexibility factors presented in figure 2.6.

This analysis can be carried out at any point and can be used to establish a baseline against which any movement in flexibility can be measured and analysed.

2.6 *Summary*

From the study of change management we have seen the emergence of flexibility as an important concept that allows organisations to improve their performance.

The literature review has revealed some common themes that allow a closer study of flexibility. We have seen the emergence of a flexibility paradox and the capabilities that are required to overcome the paradox.

Whilst it is widely acknowledged that most studies of flexibility have concentrated on the manufacturing sector, we have been able to identify different types of generic flexibility that contribute to the organisation's total flexibility mix:

- Operational flexibility
- Managerial flexibility
- Structural flexibility
- Strategic flexibility
- Financial flexibility
- Metaflexibility

From these concepts and other theoretical models, we have been able to propose a conceptual model that takes account of the emergent flexibility themes.

Utilising this conceptual model we are able to construct a set of questions adapted from other studies such as Volberda (2009) and Verdu-Jover (2008) to build an analysis of the flexibility present in Liverpool City Council's structure.

Not only have we been able to understand contemporary thinking on flexibility and understand contemporary models of measuring flexibility, but we are also now able to utilise our conceptual model to investigate the impact on flexibility of management by the introduction of Business Units in Liverpool City Council.

Chapter 3 - METHODOLOGY

3.1 Introduction

This chapter outlines the major methodology used to collect data that attempts to address the research question described in chapter one.

We initially discuss research philosophy to understand the key concepts and principles that exist in research. This allows us to consider the appropriate philosophy that drives our research strategy. The justification of this strategy will allow us to develop an appropriate methodology and reject inappropriate methods.

The research design will be discussed and the instruments and procedures used to carry out the research detailed.

We will finally discuss the ethical considerations of carrying out this research before we finally summarise the methodology.

3.2 Research Philosophy

The chosen philosophy reflects the researcher's paradigm in respect of the research question. This mix of the researcher's ontology, epistemology and axiology leads down a road that allows a research strategy and methodology to be specified which will allow the research aims to be achieved.

Ontology is the view taken by the researcher of the nature of reality (Saunders, Lewis and Thornhill, 2009). On the one hand we have objectivism which reflects the view that entities exist irrespective of any social factors. On the other hand we have subjectivism which reflects the view that it is the social factors that shape entities.

We also have a similar approach to epistemology which is described as the researcher's view of what constitutes acceptable knowledge (Saunders, Lewis and

Thornhill, 2009). This can range from the positivist view in which it is possible to look at everything from an objective viewpoint and explain everything in terms of data and measurement, to the interpretivist (or phenomenological) in which researchers believe that reality is socially constructed (Fisher, 2007). In between these two is the view of the realist who believes that there is a subjective nature to research but that it can be categorised. Critical realists are similar but lean more towards the phenomenological view in that they believe there is a level of reality that is hidden and as such is difficult to analyse.

As stated in Saunders, Lewis and Thornhill (2009), Heron (1996) has stated that our values are the guiding reason for all human action and aptly describes the role for axiology in consideration of the research paradigm. Axiology is the researcher's view of the role of values in research. These are the things the research uses to determine aspects about the world based on the researcher's epistemology.

Fisher (2007) has also described the paradigm as having a dimension that he refers to as orthodox or gnostic with the beliefs shown in table 3.1.

Table 3.1 – Nature of Knowledge (Fisher, 2007)

Orthodox	Gnostic
There is an objective truth	Truth is subjective
Truth is simple & transparent	Truth is hidden
Truth is an agreed body of knowledge	Truth is gained through personal struggle
Conformance & obedience	Challenge and diversity
Language is transparent	Language is ambiguous

From the paradigms that are being described we can see the emergence of two main types of research strategies – inductive at one end and deductive at the other. The deductive type of research strategy fits more closely with the scientific or orthodox approach. Deductive researchers will propose a hypothesis, carry out their research and then examine the outcomes to prove their hypothesis. It can be seen that this requires a highly structured methodology with all aspects being measured quantitatively.

Inductive research however, is more akin to Gnosticism or phenomenological research in that a research aim is first developed then the research is carried out and finally a theory is developed to explain the findings. The purpose here is to get a better feel for what is going on and to understand the nature of the problem (Saunders, Lewis and Thornhill, 2009).

These approaches are not mutually exclusive. It is possible to be deductive undertaking the literature review and then inductive when undertaking the analysis from which to draw relevant conclusions. Creswell (2002) suggests that the choice is dependent upon where the research emphasis lies and Hakim (2000), Buchanan et al (1988) and Saunders, Lewis and Thornhill (2009) all agree that the researcher should be aware of the possibility that the needs or beliefs of the researcher may have an influence. The most important factor however, is to ensure that the approach does not change the essence of the research question.

3.3 Research Strategy

3.3.1 Justification for the selected paradigm and methodology

This study leans towards a phenomenological paradigm and utilises a broadly inductive approach to the analysis.

The ontological view is based on objectivism in that there is a belief that the structures which exist in the organisation are put in place to serve a purpose and each business unit within the organisation has specific aims and objectives governed by a set of standard requirements dictated either by legislation or by a management hierarchy. However, one must recognise the existence of social conditioning and the impact this can have on organisational development. The basis for having public services could be argued as being the very essence of social conditioning. So whilst the ontological view is broadly objective, it is biased towards the subjective.

The critical realist is the best category to describe the epistemological view of the researcher. All data must be contextualised. A collection of figures are meaningless without being interrogated. Without knowing why we are at this point, we cannot

forecast advancement towards our objectives. We could also state that we are not capable of setting objectives without being able to contextualise data. This is akin to the metaphor of the cricket umpire given by Saunders, Lewis and Thornhill (2009) where the critical realist states “I give them as I see them” and the realist states “I give them as they are”. The difference is that the critical realist does not automatically believe the numbers and this study takes a similar position.

Hakim (2000) also uses a metaphor and points out that the work of the architect reflects the architect’s own preferences and ideas and the researcher believes that this axiological view must also be true of this study. Given that the researcher is a manager within the organisation being researched and much of the change being researched directly impacts the researcher there must be an element of the researcher’s own views reflected in the study even if only an insignificant amount.

This view follows the critical realist view (Fisher, 2007; Collier, 1994) with three levels of reality:

- Experiences – this is a nominalist level in which we are aware that our experiences do not necessarily reflect reality although we know that we may see things from just our viewpoint.
- Events – this level is a metaphysical realism. These are the things that actually happen from which our experiences come.
- Mechanisms – this is the real level of the causes of events. It may be personality, assumptions, culture or economic interests. These are the things that can only be inferred from the events but cannot be directly experienced.

We can see, therefore that this research is tending towards the gnostic set of dimensions listed in figure 3.1 above. The researcher is aware that there are always internal politics present especially in a local government organisation. As such the data must be treated with an element of caution as there will be responses which are both ambiguous and inaccurate as managers seek to show themselves as being more competent than they are.

From the paradigm of the critical realist we see the emergence of a survey research strategy as the data collected can be used to suggest reasons for relationships between variables (Saunders, Lewis and Thornhill, 2009). This also allows us to utilise our conceptual model shown in figure 2.6 to develop an instrument to measure organisational flexibility.

Verdu-Jover et al, (2004 and 2008) carried out a study of flexibility with 417 responding organisations using this strategy by building a similar theoretical model and Volberda (2009) also developed a similar model that allowed him to develop a series of questions to determine flexibility.

Although usually associated with a deductive approach, the survey research strategy has been recognised by Page (2009) as being quantitative or qualitative and possibly orthodox or gnostic. The possibility of having a survey that can be both orthodox and gnostic is directly in line with the paradigm used in this study.

On a practical level, consideration must also be given to the collection and interpretation of the data. The time horizon for the data collection is longitudinal however, given that we cannot go back to establish a baseline we must take a cross-sectional view and determine how the original baseline is now perceived. This gives us an element of concern but does give us the advantage that what we are recording is the perceived change and this perception is in itself a reflection of the effectiveness of the change.

Another aspect of this study is that it is internal to the organisation. Our research question and objectives as defined in chapter one are concerned with measuring flexibility within the organisation. The research findings will also be used in a management report for the Chief Executive of the organisation. This means that we have a greater level of control and higher return rate for a survey should be possible.

A survey will also enable us to collect a significant amount of data in a short period of time so the impact of data collection on the timeline of the research is minimal.

The final aspect of this is that there is a minimal resource requirement for an internal survey. The survey questionnaire can be emailed internally and does not require a large number of interviews with the high costs of room bookings, travelling or postage associated with other methods. There is also a minimal human resource requirement as the researcher does not need to spend hours carrying out interviews and respondents are also only required to use a minimal amount of time to answer the survey.

3.3.2 Rejected methods

Our research method is described by Saunders, Lewis and Thornhill (2009) as a mixed-model method in that it uses a quantitative collection model which is then given a qualitative analysis.

Both Fisher (2007) and Saunders, Lewis and Thornhill (2009) describe a number of techniques that can be used to gather data but most have been rejected for the purposes of this research:

- Interviews
- Panels
- Observation
- Documents
- Databases

Whilst giving a high degree of qualitative information, interviews were rejected as they require a large amount of time to plan, attend and analyse. With a piece of research aimed at the 72 Heads of Business Units in Liverpool City Council, it was felt that interviews would require a large amount of time which was not available. It was also felt that whilst the interviewer can guide the respondent through a highly structured interview, there may be elements of researcher bias which may influence some of the responses (Robson, 2002).

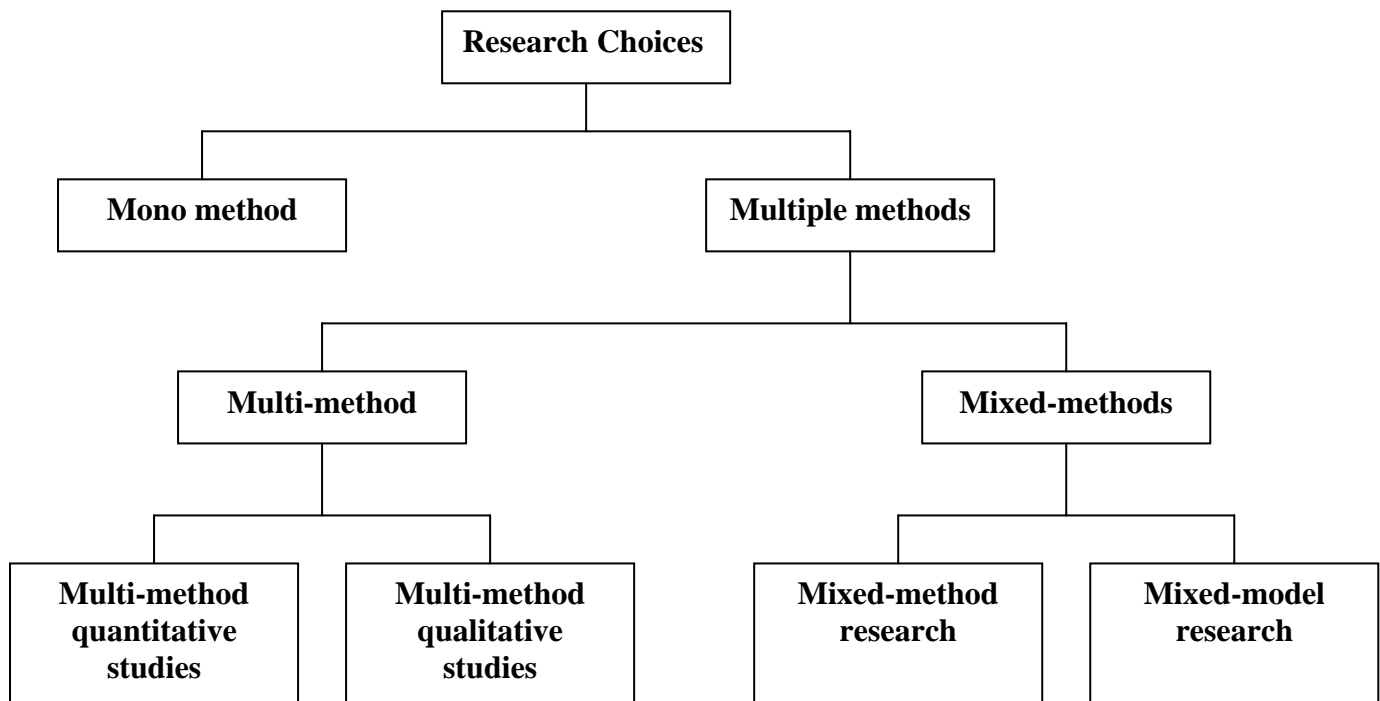
Panels were also rejected for similar reasons. Whilst it is possible to cut down on the time required to carry out panel style interviews or discussions, it would introduce an element of peer pressure with some individuals feeling encouraged or intimidated into making responses which they don't necessarily believe are accurate. This is another aspect that Robson (2002) felt could threaten the reliability of the research.

It was also felt that observational research was inappropriate for the research question. From the literature review we developed a contextual model that involved the measurement of specific types of flexibility. These types of flexibility are very difficult to observe. One cannot observe financial flexibility nor observe metaflexibility to see if a manager is learning to become more flexible. These are subject areas that require a more participatory stance from both the researcher and respondent.

Whilst databases and documents were utilised to carry out the literature review in chapter two, they were not used to gather data for analysis. The research question is specific to Liverpool City Council and whilst there may be aspects such as financial information and performance statistics available on both internal and external databases, these are often flawed due to inconsistencies associated with data quality and changes in recording methodologies. In a similar manner to the issues associated with observational research, there are also a number of elements of this study that cannot be gleaned from this technique such as managerial flexibility which is not recorded on any database. The literature review also exposed that there are no documents available to utilise in connection with the flexibility introduced by the recent change to homogenous business management structures in Liverpool City Council. It was therefore felt that these techniques should also be rejected.

The research choices in figure 3.2 indicate the methods the researcher can use (Saunders, Lewis and Thornhill, 2009). Initially it was thought that the mono method would best describe this research but this places an emphasis on using a single data collection technique and the corresponding analysis procedures. So basically if we use a quantitative collection technique we should use a quantitative analysis.

Figure 3.1 - Research Choices (Saunders, Lewis and Thornhill, 2009)



The other choice is the multiple methods which utilise a combination of different techniques and analyses.

The multi-method studies use different methods but stick to either quantitative or qualitative whereas the mixed-methods combine quantitative and qualitative.

Mixed-method research uses quantitative and qualitative methods either in parallel or in series but does not combine them whereas mixed-model research allows us to use a combination of techniques and analyses. From the discussion above it can be seen that we intend to utilise a quantitative data collection technique and both quantitative and qualitative analyses which fits with the critical realist paradigm described in the previous section.

3.4 Research design

The research design was dictated by the research question and aims. It was clear that to investigate the impact on flexibility of management by the introduction of business

units in Liverpool City Council, we would have to ask the managers of the new business units. The strategy chosen to carry this out was as outlined above and the instrument chosen for this was a self-administered questionnaire.

3.4.1 Design of Instrument(s)

The literature review carried out in chapter two led to the construction of a contextual model around which we would frame our research. The aspects of the contextual model proposed were:

- Operational flexibility
- Managerial flexibility
- Strategic flexibility
- Financial flexibility
- Metaflexibility

The literature review revealed that most studies carried out were based on the manufacturing sector (Slack, 2005) and if we were going to carry out a survey of the managers of the new business units then we would have to ask questions relevant to the five aspects outlined above. We would also need to ask questions about the business unit to establish its requirement for flexibility. This consideration allowed the development of a data requirements table (appendix ii).

The literature review had revealed models that were based on survey questionnaires (Volberda, 2009; Verdu-Jover, 2008) and it was felt best to adapt some of those questions rather than develop a whole new set.

The main set of variables were established as opinion variables as they revolved around the perspectives of managers with four attribute variables used to establish the nature of the business unit.

Rating questions were used throughout the survey questionnaire utilising a 7 point Likert-style rating scale in which questions were posed as statements and the

respondents were asked if they agree or disagree. Ratings were presented in a straight line as this is how respondents are most likely to process data (Dillman, 2007). Fisher (2007) refers to Billig (1996) and points out that most people are in a constant state of internal debate with themselves and therefore the use of Likert style questions to analyse complex attitudes are in themselves questionable. However, this technique does allow a scoring mechanism to be put in place and these can subsequently be analysed. Another area of debate is that of having an odd number of scales to choose from. This allows people to sit on the fence. However given the numbers of respondents being targeted and the high rate of likely return, it was felt that there would be enough response on either side of the fence to allow a relevant inference to be drawn. There is also the possibility as pointed out by Saunders, Lewis and Thornhill (2009) of slightly separating the mid point from the final analysis.

The time horizon for the work is longitudinal, looking back to the period prior to the establishments of business units in the organisation. The only way this time horizon can therefore be considered is to ask respondents to also score the same questions for the previous structure. This means adding an extra rating scale for each question. So each question has two rating scales, one for now and one for the previous structure.

For each of the five flexibility aspects outlined above it was felt that five questions for each aspect should be sufficient to gain an understanding of the aspect. When the draft list of questions was constructed it was thought to be slightly long and extended beyond the four page length advised in Fisher (2007).

However, some of the aspects outlined in the conceptual model are not mutually exclusive and it was decided to utilise this feature to ask questions that overlap between one aspect and another thus reducing the numbers of questions.

The questionnaire was put to a pilot group of 3 managers and their response was such that some of the questions were slightly changed but the format was found to be well understood.

The final questionnaire (appendix iii) was restricted to a total of 27 questions within 5 sections as follows:

- 4 classification questions
- 5 financial flexibility questions
- 5 managerial flexibility questions
- 5 metaflexibility questions
- 8 operational / structural / strategic flexibility questions

This allowed the questionnaire to be presented on 4 sides of A4 with a further explanatory page.

3.5 Research procedures

The sample group for the research were the 72 heads of Business Units in Liverpool City Council. This approach had been previously agreed by the Chief Executive and would be used in a management report so it was expected that this would produce a response rate.

The questionnaire with explanatory page was distributed utilising the City Council's internal email system on Microsoft Outlook and sent to all managers on the "Heads of Business Units" distribution list. Saunders Lewis and Thornhill (2009) suggest sending a pre-survey contact however as the survey was being sent to an internal sample group with the Chief Executive's backing, it was felt that this would not be necessary and may delay the process. However, the email was sent with a short explanation as to importance of the questionnaire to the management report and emphasising that the report was for the attention of the Chief Executive. A read receipt was requested in the properties field of the email so that the researcher knew how many had been read.

A series of folders were set up by the researcher on Microsoft Outlook as follows:

- Completed – all completed responses were placed in this folder

- In – all email correspondence other than completed questionnaires were placed in this folder
- Out – all correspondence to participants was placed in this folder
- Read – all read receipts were placed in this folder

The completed questionnaires were backed up to an external memory device to reduce the risk of them being lost.

The initial email was sent out on Monday morning the 8th March 2010 and respondents were given two working weeks until Friday 19th March 2010 to return completed questionnaires. Follow up emails were sent a week later and on the morning of the 19th March as a final reminder.

All correspondence was acknowledged and respondents were sent a personal email on receipt of their completed questionnaires thanking them for their submission.

A response key was drafted to allow administration of the response process (appendix iv). This recorded the name of the manager returning the questionnaire, the business group the unit was located within and a unique reference number for each returned questionnaire. This key was utilised to send the follow up emails and to allow the questionnaires to be saved with the reference number. This key can be used for a further analysis of business group responses to the questions which is beyond the purposes of this study but may be useful for the purposes of the management report. At the end of the survey period we had 51 responses which gave us 2,754 data items. These were keyed in to an excel spreadsheet which was in turn loaded into the statistical software package SPSS. This allows the analysis to be carried out using both sets of software and allows the researcher to utilise the strengths of each system to counter any areas of weakness in the analysis.

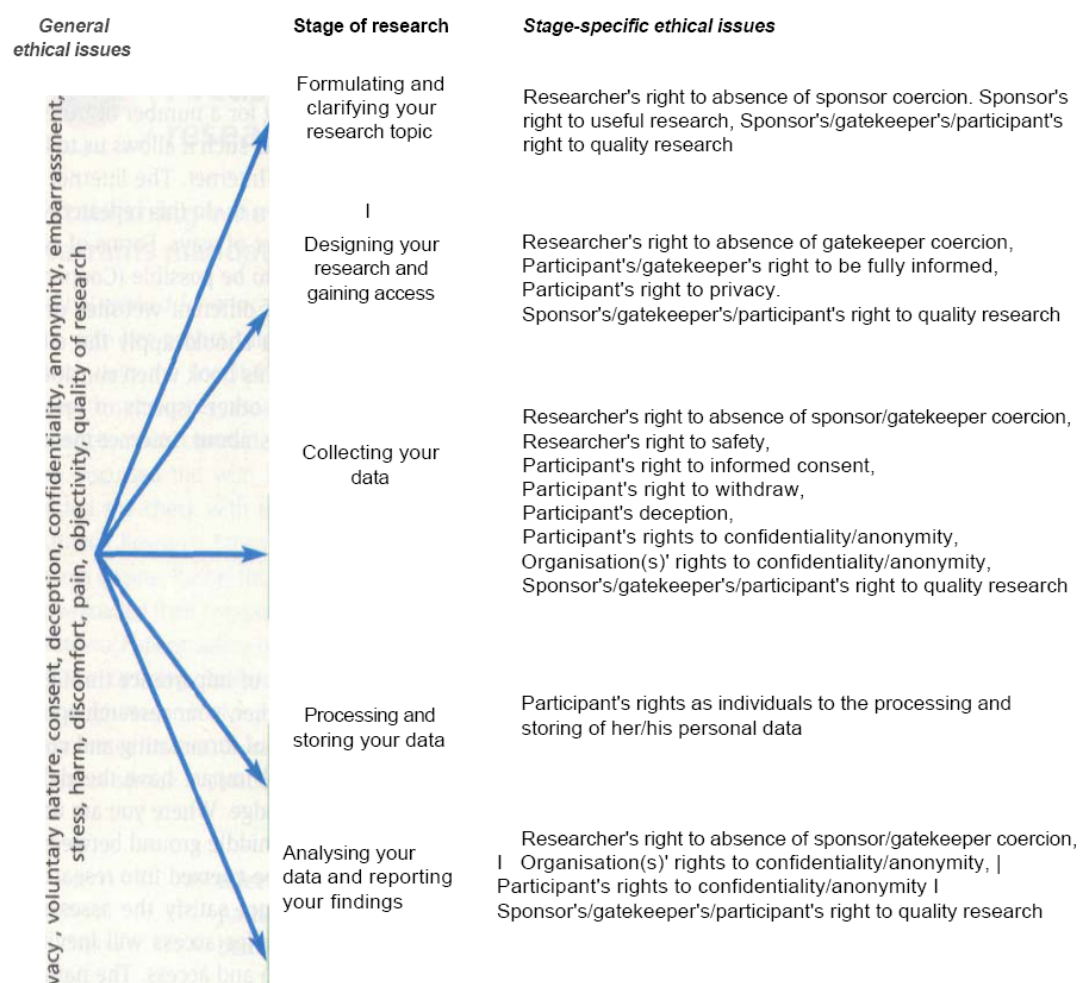
The analysis utilised consists of a mixture of statistical and graphical analyses from which we can draw inferences. These inferences can subsequently be contextualised to draw conclusions based on both quantitative and qualitative methods as indicated in the mixed-model research method.

3.6 Ethical considerations

Saunders, Lewis and Thornhill (2009) provide a useful ethical framework that sets out the main ethical considerations.

Their framework can be seen as a mixture of the considerations given to the sponsor organisation, the researcher and the participant.

Figure 3.2 - Ethical issues at different stages of research (Saunders, Lewis and Thornhill, 2009)



In respect of this research, the researcher met with the Chief Executive of Liverpool City Council, the sponsoring organisation prior to submission of the research proposal. The result of the discussion was the sponsor's approval of the research question and the methodology used to obtain the data. This met the sponsor's right to obtain a useful piece of quality research which will inform the organisation.

The sponsor was also made aware of the possibility of the academic organisation making the research publicly available and this was not seen as an issue by the Chief Executive.

The ethical issues in respect of the researcher were also established at the Chief Executive's meeting and it was agreed that the Chief Executive would allow the researcher the freedom to carry out the research project with as little or as much contact as the researcher felt necessary. This established the researcher's right to the absence of sponsor coercion and added the support of the sponsor. Given the nature of the project, the sponsor was also able to establish the researcher's right of access and approved the research project as a corporate project, thus authorising the researcher to utilise corporate resources and more importantly, allowing the researcher to use the production of a subsequent management report as the driver for the research communication.

Having said this, the ethical considerations of the participants were also considered and upheld. Participants were informed of the nature of the research in respect of the Chief Executive's management report but were informed that completion of the questionnaire was not a corporate requirement. The right of privacy was upheld and it was explained in the covering letter to participants that answers would be treated in confidence. To add to this, there was no data field on the questionnaire for respondent's names. This gave participants more confidence in the anonymity of response. It should also be noted that the data being retained is also anonymised and as such can be retained for further use in the sponsoring organisation and meets the requirements of current data protection legislation (Data Protection Act 1998).

Non-maleficence – the avoidance of harm (Saunders, Lewis and Thornhill, 2009) is the cornerstone of the ethical issues that confront those that undertake research. However, there is a moral component to critical realism (Fisher, 2007) in that the critical realist may discover bad things during research and will have to take action to correct them. The line taken on these items is that any component which may identify a respondent has been discussed with the individual and where an individual has expressed any concern, this item has been removed from the study. There is no data

item that has caused such concern however, some of the comments returned with the completed questionnaires were discussed in detail and have been removed from both this study and the subsequent management report.

The final aspect considered is that of debriefing (Saunders, Lewis and Thornhill, 2009). Participants were informed in the questionnaire covering letter that as well as a management report being produced, they would also receive a summary of findings. The summary of findings will be produced following completion of the research and the management report and will be distributed by email in the same manner as the original questionnaire.

3.7 *Summary*

We have seen from the discussion of research philosophy that this research is biased towards Gnosticism. The viewpoint of the researcher takes on that described as critical realism in that the researcher has indicated that whilst data does give a view of reality, this view is shaped by social development and constructs.

There were a number of methods rejected and we opted for a survey research strategy to collect our data. Taking this strategy and the paradigm into consideration, we see the emergence of a mixed-model research method.

The questionnaire has been designed utilising Likert style questions which allow us to seek responses to measure flexibility at two points in time to enable a valid analysis. The procedures outlined have also allowed us to address some of the ethical issues discussed whilst many of the ethical issues were addressed at the outset of the research project.

The methodology outlined in this chapter enables us to progress through the remaining chapters to address the research question in such a manner that we will also meet the aims described in the introduction.

Chapter 4 - FINDINGS

4.1 Introduction

In this chapter we shall present our findings. Whilst we shall give consideration to the collected items of data and how they relate to each other, we shall only discuss their relevance and implications within the next chapter in order to draw our conclusions about the research question.

Within this chapter we shall rely on a number of statistical calculations that will allow us to test the data. We shall look at the data collected, measure its spread and test the central tendencies. The data we have collected will be considered in respect of the following:

- Required flexibility
- Total flexibility
- Flexibility gap
- Financial flexibility
- Managerial flexibility
- Metaflexibility
- Operational flexibility
- Structural flexibility
- Strategic flexibility

However, we shall start by considering the numbers of respondents to the questionnaire that was sent out.

4.2 Analysis of respondents / non-respondents

Our sample size was restricted to the managers within Liverpool City Council who are the Heads of Business Units (72). All individuals within the sample were emailed a questionnaire (appendix iii) and within the two week timeframe we had received a total of fifty one (51) responses. This gave us a high response rate of just over seventy percent (70.8%).

However, there were a number of managers who were on annual leave or on sick leave. We received a total of eight (8) “out of office” responses to our emailed questionnaire indicating that managers (11%) were on annual leave for the duration of the survey. This figure represents a significant proportion (38%) of our non-

respondent total (21) and leaves a total of thirteen (13) managers who have not responded.

In terms of spread across the organisation we have a good representation from the corporate centre and the 3 business aims as follows:

Table 4.1: Response rates

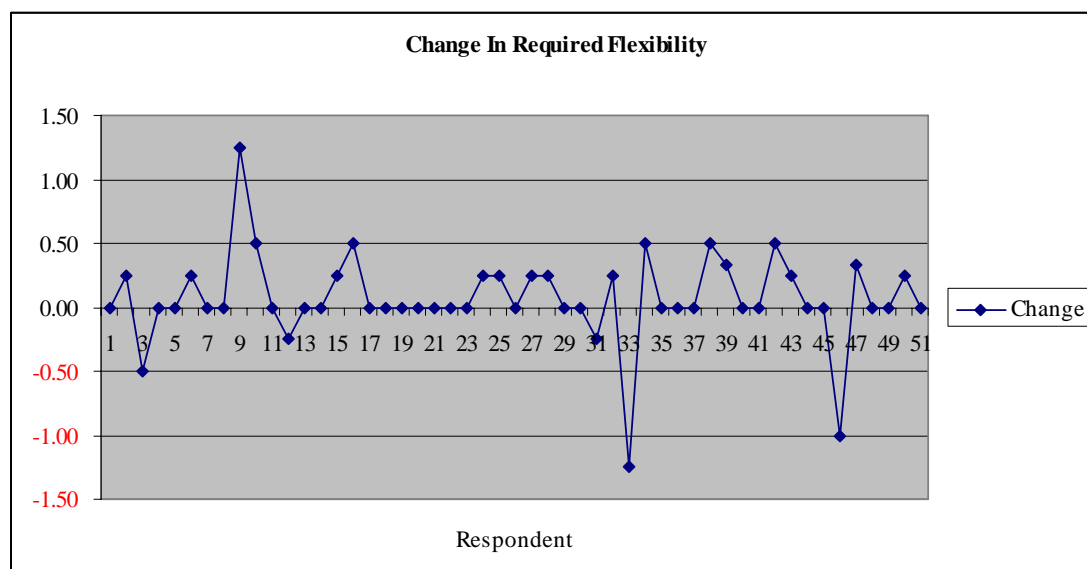
	Respondents	Sample	Rate %
Corporate centre	15	19	78.9%
Aim 1	7	14	50.0%
Aim 2	15	22	68.2%
Aim 3	14	17	82.4%
Total	51	72	70.8%

4.3 Findings for the research question

4.3.1 Required Flexibility

The questionnaire asked four initial questions (questions 1 to 4 appendix iii) in respect of flexibility required by the business unit. We have averaged out these responses for each business unit into a table (appendix v – table 1) from where we can see the flexibility required now compared with the previous flexibility required prior to the establishment of business units. Chart 4.1 reflects the change in the required flexibility.

Chart 4.1 – Change In Required Flexibility



The statistical analysis of these responses is shown in table 4.2 and indicates that both the mean (3.87 up to 3.94) and the median (3.75 up to 4.00) have increased slightly with a slight reduction in the standard deviation (from 0.97 to 0.91) indicating that the results are grouping slightly closer to the mean.

There is also a very high correlation (0.93) between the two sets of figures returned for required flexibility and this feature will be discussed more in the following chapter.

Table 4.2: Required flexibility response statistics

	Now	Previous	Variance
Mean	3.94	3.87	0.07
Median	4.00	3.75	0.25
Std Deviation	0.91	0.97	-0.05
Correlation	0.93		
Decrease in requirement			5
			9.80%
No change in requirement			28
			54.90%
Increase in requirement			18
			35.29%

The variance between the two figures has also been taken into consideration and a count of these indicates that there has been an increase in the flexibility requirement in 18 business units (35.29%) whilst 5 actually require less (9.80%) and 28 (54.90%) have no change in their flexibility requirement.

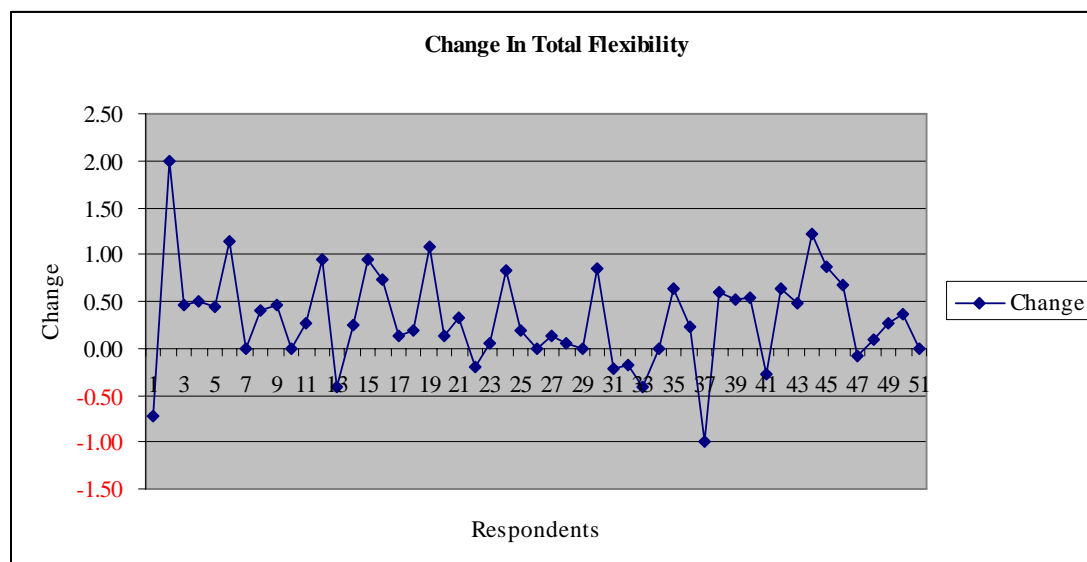
4.3.2 Total Flexibility

We arrive at a measure of total flexibility by calculating the averages of the responses from questions 5 to 26 (appendix iii) for each respondent and placing these in a comparator table with the responses recorded for previous flexibility (appendix v – table 2). We are then able to analyse these statistics as indicated in table 4.3 below.

Table 4.3: Total flexibility response statistics

	Now	Previous	Variance
Mean	4.48	4.17	0.32
Median	4.55	4.18	0.36
Std Deviation	0.73	0.70	0.03
Correlation	0.74		
Decrease in total flexibility			10
			19.61%
No change in total flexibility			5
			9.80%
Increase in total flexibility			36
			70.59%

It can be seen that total flexibility has increased from a mean value of 4.17 to 4.48 a difference of 0.32 and the median value has also increased from 4.18 to 4.55 a rise of 0.36. The standard deviation has only increased slightly from 0.70 to 0.73. This demonstrates that the total flexibility has increased slightly in the period and the correlation between the two sets of figures for total flexibility now and previous is high (0.74).

Chart 4.2 – Change In Total Flexibility

We can see from chart 4.2 that there has been a substantial movement in the total flexibility of business units. Analysing the variance between current and previous flexibility we can see in table 4.3 that there has been a significant number of

respondents recording an increase in flexibility (36, 70.59%) with 10 (19.6%) recording a decrease in flexibility and only 5 (9.8%) recording no change in their overall flexibility.

4.3.3 Flexibility Gap

The variance between the required flexibility analysed at 4.3.1 and the total flexibility gap indicated in 4.3.2 above has been measured as the flexibility gap.

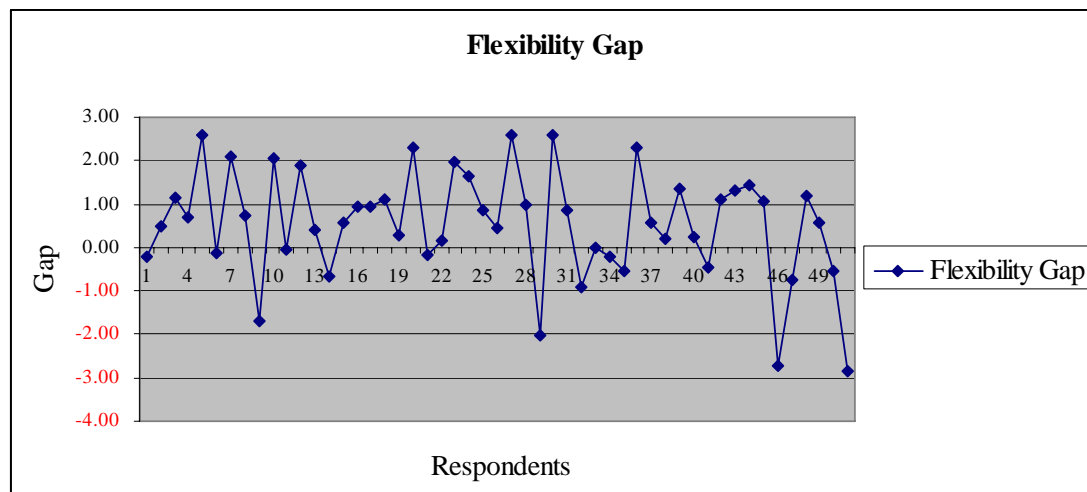
Table 4.4: Flexibility gaps statistics

Flexibility Gap							
Business Unit	Now			Previous			Change in Var
	Required	Total	Variance	Required	Total	Variance	
Mean	3.94	4.48	0.54	3.87	4.17	0.30	0.24
Median	4.00	4.55	0.59	3.75	4.18	0.34	0.18
Std Deviation	0.91	0.73	1.25	0.97	0.70	1.34	0.58
Correlation	-0.15			-0.27		0.90	
Below requirement			15			18	13
			29.41%			35.29%	25.49%
Meet requirement			1			0	4
			1.96%			0.00%	7.84%
Above requirement			35			33	34
			68.63%			64.71%	66.67%

In table 4.4 the flexibility gap can be seen as the variance between required flexibility and total flexibility. We can see that for current flexibility the gap indicated by the variance in the mean is 0.54 and the variance in the median is 0.59. However the previous variance was 0.30 for the mean and 0.34 for the median. So the change in the gap following the implementation of the business unit structure has been an increase of 0.24 for the mean and 0.18 for the median. This indicates the flexibility gap has widened.

The standard deviation of 0.58 for the change in variances indicates a closer set of results for this set of statistics than for either of the variances recorded now (1.25) or previously (1.34). There is also a very strong correlation (0.90) between the two sets of variances or flexibility gaps recorded now and previously.

Chart 4.3 – Flexibility Gap



We can also see that we have 15 (29.41%) respondents below the required flexibility levels and 35 (68.63%) above the required flexibility level compared to the previous 18 (35.29%) below and 33 (64.71%) above the required flexibility. The table also shows in the “Change in Var” column that there are 34 (66.67%) respondents who indicate that their total flexibility has increased at a greater rate than their associated required flexibility whereas there are 13 (25.49%) where the requirement is growing at a quicker rate than their total flexibility.

4.3.4 Financial Flexibility

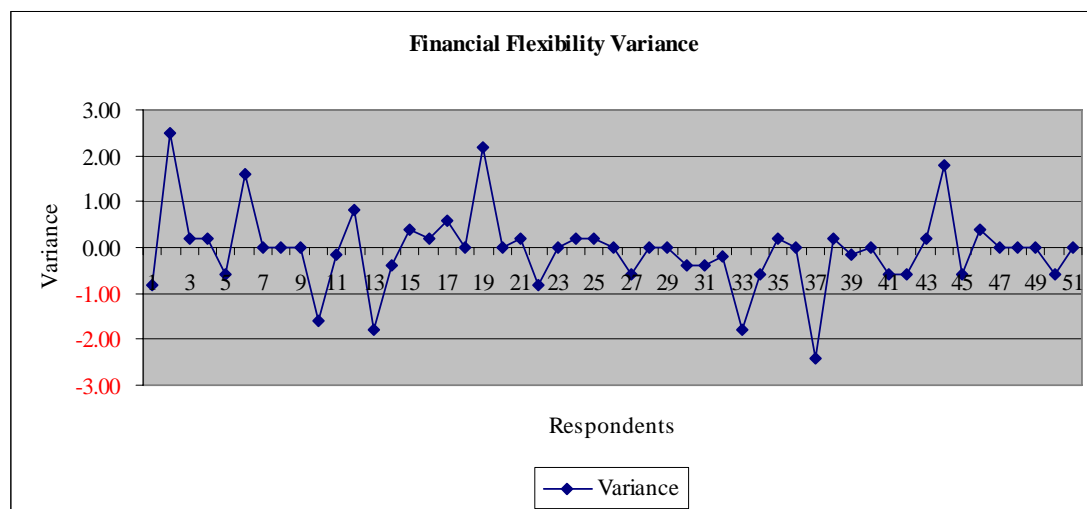
Financial flexibility was ascertained by asking questions 5 to question 9 in the questionnaire (appendix iii). The responses to this question were averaged over the five questions (table 4 – appendix v) and we can see in table 5 – appendix 4 how each business unit averages out.

Table 4.5 shows the summary statistics for the financial flexibility section and we can see that the mean value has reduced from 3.93 to 3.88 whilst the median value has remained constant at 4.00. This indicates that the central tendency has reduced very slightly and with a standard deviation of only 0.01 we have a very close fit of the variance and a strong correlation (0.73) between the previous financial flexibility and the financial flexibility now.

Table 4.5: Financial Flexibility response statistics

	Now	Previous	Variance
Mean	3.88	3.93	-0.06
Median	4.00	4.00	0.00
Std Deviation	1.19	1.18	0.01
Correlation	0.73		
Decrease			19.00
			37.25%
No change			15.00
			29.41%
Increase			17.00
			33.33%

A higher proportion of respondents (19, 37.25%) have indicated a decrease in their financial flexibility with a further 29.41% (15) indicating no change in their financial flexibility. This leaves 17 respondents (33.33%) indicating that their financial flexibility has increased following the change to the business unit structure.

Chart 4.4 – Financial Flexibility Variance

Looking at chart 4.4 we can see the numbers of respondents who reported a significant change in their financial flexibility. Of the 19 (37.25%) respondents who recorded a decrease in their financial flexibility, 14 (73.68%) of them recorded a decrease of more than 10%. However, this is offset by the 17 (33.33%) recording an increase of which only 8 (47.06%) recorded an increase of more than 10%.

4.3.5 Managerial Flexibility

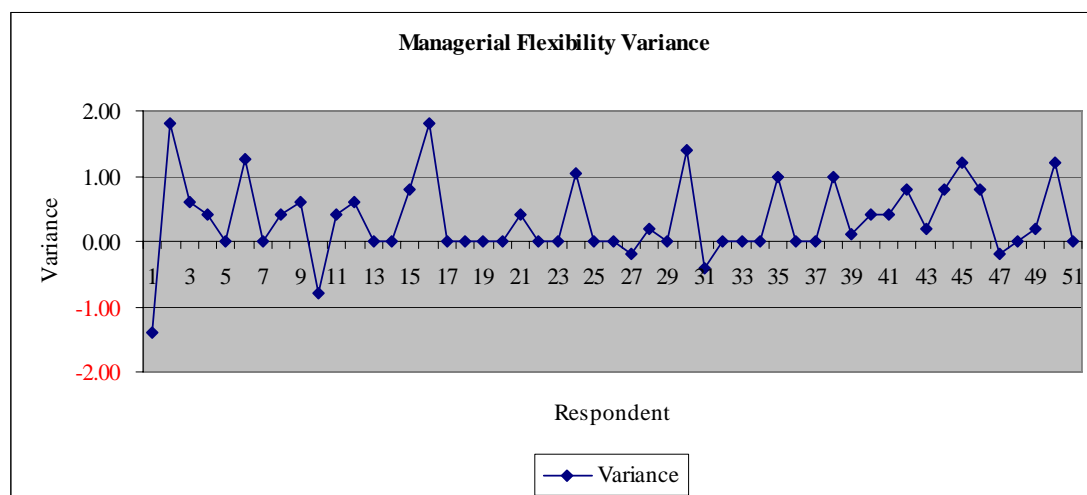
A further 5 questions were asked in respect of managerial flexibility. These were numbered question 10 to question 14 in the questionnaire. Once again the responses were listed and averages taken across all questions for each respondent (table 5 – appendix v). From this list we can compare current rating with the previous rating and carry out a statistical analysis.

Table 4.6: Managerial Flexibility response statistics

	Now	Previous	Variance
Mean	4.33	4.00	0.33
Median	4.40	4.00	0.40
Std Deviation	0.88	0.90	-0.02
Correlation	0.77		
Decrease			5.00
			9.80%
No change			20.00
			39.22%
Increase			26.00
			50.98%

The statistics detailed in table 4.6 show that the mean of 4.00 has increased to 4.33. And similarly, the median value has also increased from 4.00 to 4.40. It is not surprising therefore to see a strong correlation (0.77) between these two sets of data.

Chart 4.5 – Managerial Flexibility Variance



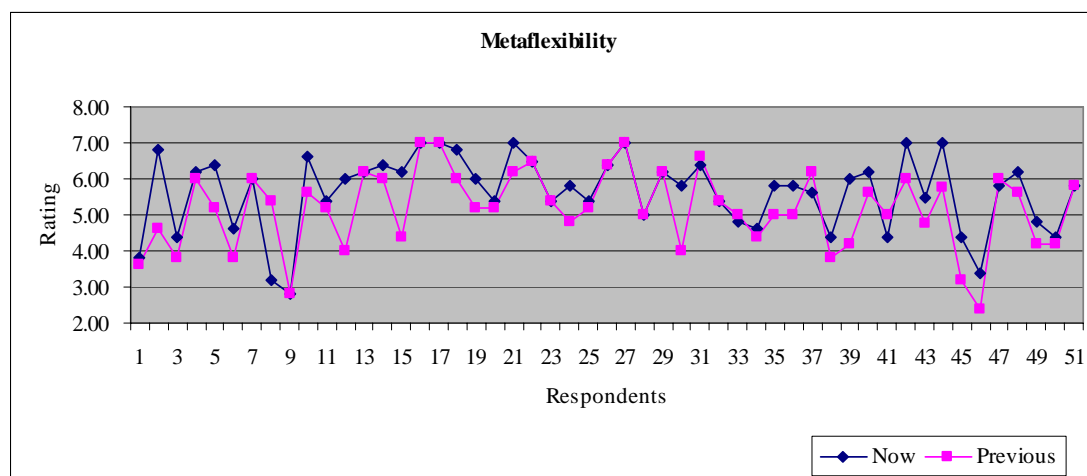
A quick look at the variance of the responses from the business units in chart 4.5 shows the level of change that has occurred across a large number of business units in managerial flexibility.

This is reflected in the statistics shown in table 4.6 where we can see that 26 (50.98%) respondents have recorded an increase in their managerial flexibility whilst only 5 (9.8%) have recorded a decrease in their managerial flexibility.

4.3.6 Metaflexibility

Question 15 to question 19 in the questionnaire (appendix iii) asked about metaflexibility. The answers to the five questions were averaged to give a rating for metaflexibility for each respondent and the associated table drawn up (table 6 – appendix v) to enable statistical analysis.

Chart 4.6 – Metaflexibility



Most respondents recorded that on average, their metaflexibility had increased as shown in chart 4.6 with 24 (47.06%) showing an increase of more than 10%.

An analysis of the response statistics in table 4.7 shows that the mean has increased to 5.64 from 5.17 and the median has also increased from 5.2 to 5.8. Both of these central measures have increased significantly and the responses listed in now and previous also demonstrate a strong correlation (0.75). The standard deviations reflect the graphical picture in chart 4.5 above with a previous value of 1.08 and a current

value of 1.05 demonstrating that there is a large variation in responses from 2.40 to 7.00.

With 32 respondents recording an increase in metaflexibility this accounts for 62.75% whereas only 6 (11.76%) recorded a decrease and 13 (25.49%) recorded no change in their overall metaflexibility.

Table 4.7: Metaflexibility response statistics

	Now	Previous	Variance
Mean	5.64	5.17	0.46
Median	5.80	5.20	0.60
Std Deviation	1.05	1.08	-0.03
Correlation	0.75		
Decrease			6.00
			11.76%
No change			13.00
			25.49%
Increase			32.00
			62.75%

4.3.7 Operational Flexibility

There were a number of operational flexibility questions asked in the questionnaire (appendix iii). Some of these questions overlap with other types of flexibility such as financial and managerial flexibility and others that were asked in the final section of the questionnaire. The specific questions asked in regard of operational flexibility were numbers 5, 10, 11, 12, and 20. The answers to these questions were averaged for each respondent and placed in a table (table 7 – appendix v) to allow statistical analysis.

The variance for each respondent was also calculated and the results can be seen in chart 4.7. It can be seen that a minority of results lie below the line showing that very few respondents recorded a reduction in operational flexibility with the majority lying on or above the x-axis. The results in table 4.8 show that only 8 (15.69%) respondents

recorded a reduction whilst 24 (47.06%) recorded an increase with a further 19 (37.25%) recording no change in overall operational flexibility. A further count reveals that 15 respondents (29.4% of all respondents) indicated a rise in operational flexibility of more than 10%.

Chart 4.7 – Operational Flexibility Variance

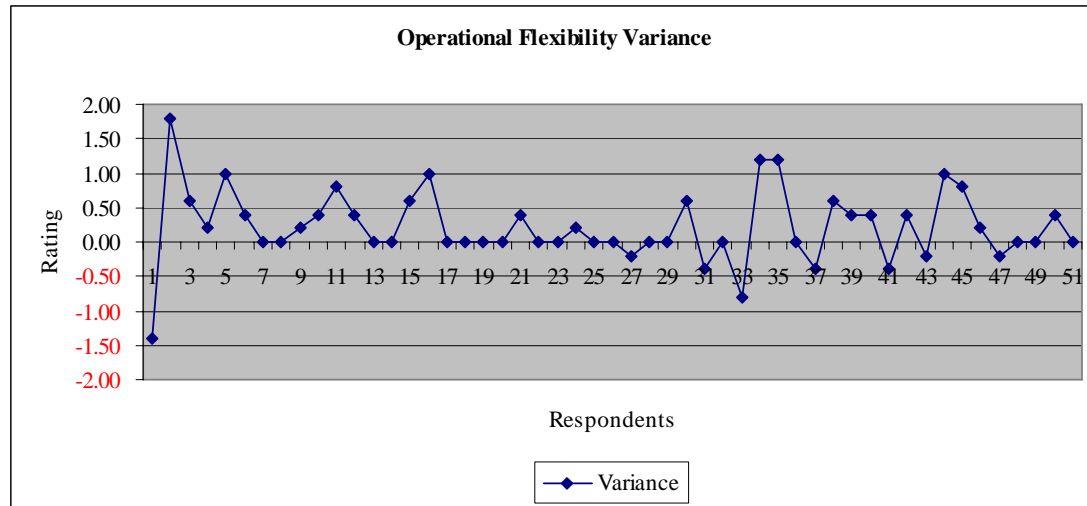


Table 4.8: Operational Flexibility response statistics

	Now	Previous	Variance
Mean	4.21	3.99	0.22
Median	4.00	3.80	0.20
Std Deviation	0.88	0.95	-0.08
Correlation	0.84		
Decrease			8.00
			15.69%
No change			19.00
			37.25%
Increase			24.00
			47.06%

The results in table 4.8 indicate that the measures of central tendency have increased with the mean increasing from 3.99 to 4.21 and the median increasing by almost the same amount from 3.80 to 4.00. This indicates an increase in operation flexibility and the statistics indicate the spread of results has narrowed with the standard deviation

dropping slightly from 0.95 to 0.88. We can also see that there is a strong correlation between the two sets of figures with a rating of 0.84.

4.3.8 Structural Flexibility

Some of the structural flexibility questions also overlap with other types of flexibility such as financial, managerial and metaflexibility whilst a few were asked in the final section of the questionnaire. The specific questions identified as being indicators of structural flexibility were 6, 7, 9, 13, 14, 19, 21, 22 and 23. The responses to these questions were averaged for each respondent and placed in a table (table 8 – appendix v) to allow statistical analysis.

The statistics record an increase in structural flexibility with the mean value increasing from 3.92 to 4.22 and the median value also increasing to 4.22 from a previous level of 4.00. With both mean and median matching, this indicates a true measure of centrality. However, the standard deviation has increased slightly from 0.83 to 0.91 indicating a wider spread of results. This said, there is a strong correlation (0.74) between the two sets of results.

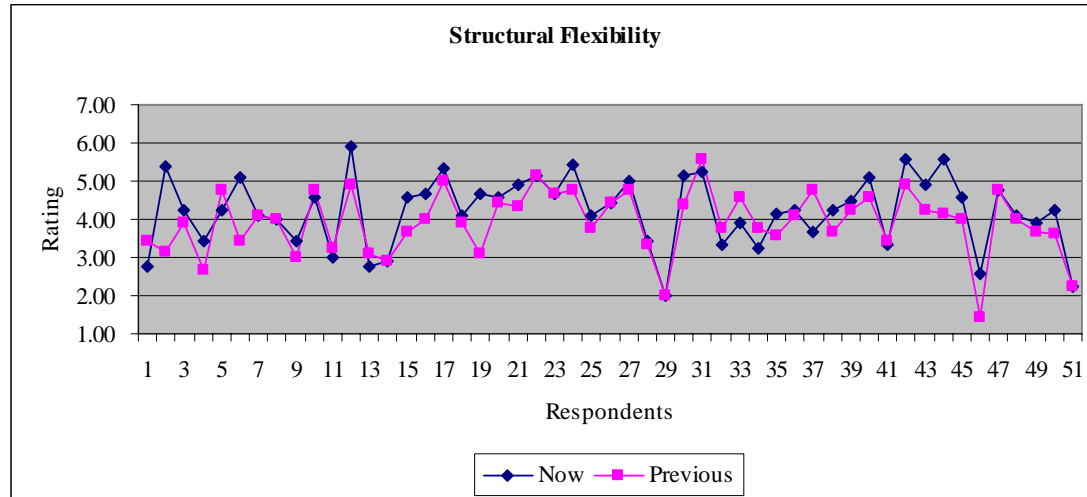
Table 4.9: Structural Flexibility response statistics

	Now	Previous	Variance
Mean	4.22	3.92	0.30
Median	4.22	4.00	0.22
Std Deviation	0.91	0.83	0.09
Correlation	0.74		
Decrease			11.00
			21.57%
No change			9.00
			17.65%
Increase			31.00
			60.78%

The counts indicated in table 4.9 show that there were 31 respondents (60.78%) evidencing an increase in structural flexibility with 11 (21.57%) showing a decrease and 9 (17.65%) showing no change. This large percentage of respondents showing an

increase can be seen easily in chart 4.8. In this chart we notice the large variations between many of the values on the two lines. This allows us to highlight that 20 (39.22%) respondents indicated an increase of over 10% in structural flexibility.

Chart 4.8 – Structural Flexibility



4.3.9 Strategic Flexibility

In a manner similar to both structural flexibility and operational flexibility, some of the questions for strategic flexibility also have an overlap with the other types of flexibility whilst others are asked in the final section of the questionnaire (appendix iii). The questions utilised in the analysis are questions 8, 15, 16, 24, 25 and 26. The responses to these questions were averaged for each respondent and we can see in table 9 – appendix v how each business unit averages out.

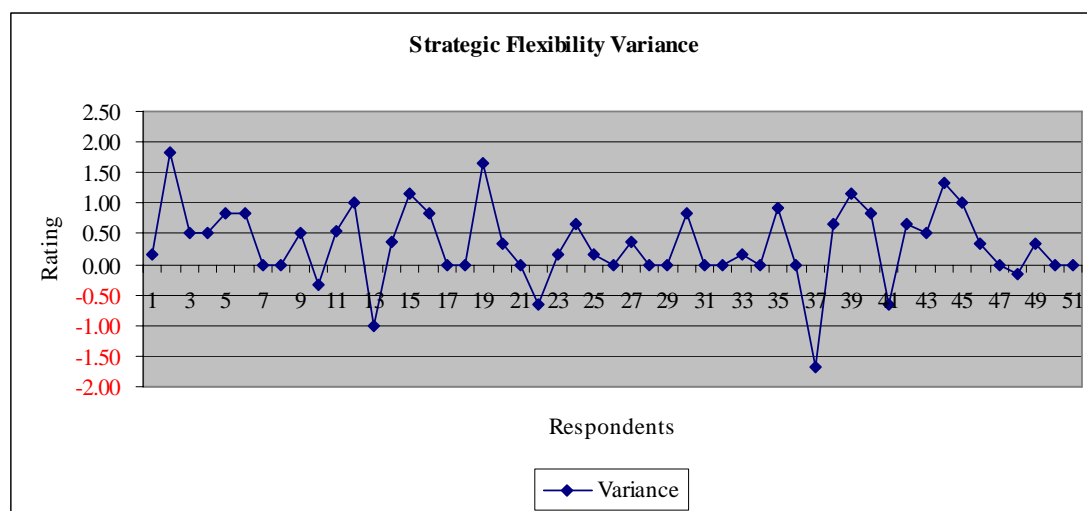
Table 4.10: Strategic Flexibility response statistics

	Now	Previous	Variance
Mean	4.54	4.21	0.33
Median	4.67	4.17	0.50
Std Deviation	0.93	0.93	-0.00
Correlation	0.77		
Decrease			6.00
			11.76%
No change			15.00
			29.41%
Increase			30.00
			58.82%

Table 4.10 shows the statistical findings from the analysis of the strategic flexibility questions. The mean has increased from 4.21 to 4.54 and the median has increased from 4.17 to 4.67. The increase in these central measure shows that strategic flexibility has increased. The standard deviation has remained the same at 0.93 indicating that the spread of results has not changed and both sets of results have a strong correlation measured at 0.77.

A look at the variance in chart 4.9 indicates that there have been a considerable number of changes with respondents' answers.

Chart 4.9 – Strategic Flexibility Variance



The count in table 4.10 reflects this and shows an increase in 30 (58.82%) responses whilst there have been a decrease in 6 (11.76%) and 15 (29.41%) recording no change. A further count reveals that 23 (45.10%) respondents indicated an increase of over 10% in strategic flexibility.

4.4 Summary

In this chapter we gave consideration to the 51 responses that we received from our survey (70.8% response rate – table 4.1). With an initial analysis of the respondents, we were then able to give closer consideration to the answers to the questions.

Utilising both graphical and tabular presentation, we saw the movement in the statistics from the responses comparing flexibility prior to the implementation of the new business units with current levels of flexibility.

We were able to highlight specific changes in flexibility levels at an organisational level and consider the movement amongst respondents. Not only did we analyse the flexibility requirement and the resulting flexibility gap, but we were also able to analyse the movement in the different types of flexibility that our conceptual model proposed.

Our statistical analysis utilised standard methodologies and produced statistics that will prove highly relevant in the forthcoming chapter and will allow us to draw conclusions based on the findings produced within this chapter.

Chapter 5 – ANALYSIS & CONCLUSIONS

5.1 Introduction

In our introductory chapter we established the background to this study in that Liverpool City Council has recently introduced a business unit structure into the organisation. This change prompted the research question stated in section 1.2.1

“Has the Introduction of Homogenous Business Management Structures Improved Flexibility of Management in Liverpool City Council?”

We also stated that the aims of the research were:

- To understand contemporary thinking on flexibility.
- To understand contemporary models of measuring flexibility in organisations.
- To investigate the impact on flexibility of management by the introduction of Business Units in Liverpool City Council.
- To make recommendations for improving the impact of the new business unit structure on management flexibility based on research aims one, two and three.

Having now considered the relevant body of theoretical knowledge, established a conceptual model and collected data according to a relevant methodology we can now give due consideration to the findings presented in the previous chapter to draw conclusions about our study. In doing so, we shall also give a critical evaluation of the methodology and highlight the limitations of this study before we finally discuss the opportunities for further study. Any recommendations that emerge from this analysis will be presented in a further separate chapter.

5.2 Critical evaluation of adopted methodology

The methodology used for this study took on an approach described as more gnostic than orthodox in the summary of the methodology chapter. However, the use of the

survey approach has shown a tendency towards a more orthodox approach and it was thought to reflect the view of a critical realist.

In utilising the survey approach there were other rejected methods that may have been of use in order to triangulate the research findings and to give a more rounded gnostic approach. Whilst Creswell (2002) suggested that the choice is dependent upon where the research emphasis lies, this does not exclude the choice of another method as well.

The time horizon for the research extended beyond the start of the research and this gave rise to a couple of issues:

- Some managers included in the survey were not in post at the start of the time horizon and thus can only reflect on third party perspectives rather than on their own direct experience
- Managers who were in post at the start of the time horizon may not remember the previous situation with clarity so there may be an element of memory bias such as the Zeigarnik effect (Dodhia and Dismukes, 2008) which claims that uncompleted tasks are remembered better than completed ones.

Given these issues it may have been better to carry out interviews either with the managers or, given the deadlines for the research focus groups may have been more appropriate.

There were very few models of measurement found in the literature review so an informed choice of survey questions was reliant on two main studies and it is felt that this may narrowed our question choice and perhaps excluded more effective questions.

There was also a lack of literature pertaining directly to public sector organisations and it is understood that the lessons from the private sector are not always transferable to the public sector (Parker and Bradley, 2000). Whilst we can claim to have similarities with the service sector, we cannot fail to draw attention to this factor.

The fact that we utilised a questionnaire also gave rise to some problems:

- The questionnaire needed to be manageable and as such we could not ask an extensive list of questions against each aspect of the study. It was felt that this may have restricted our questionnaire somewhat and led to a less comprehensive view of the organisation
- Managers within the organisation are often targeted with questionnaires and as a result they sometimes suffer from consultation fatigue which can impede their ability to accurately respond.
- Many managers will see this as a reflection on their abilities and will feel they are being tested rather than surveyed

The final critical point is that of the tools utilised to interrogate the data. Usage of both Microsoft Excel and SPSS was made. However both products can become very complicated very quickly when dealing with large volumes of data and high numbers of variables. Without a good level of experience or advanced product knowledge, it is very difficult to get the best out of both tools.

5.3 *Analysis / Conclusions about each research aim*

The aims of this research projects were not, in their entirety about making discoveries or findings. They were about building the understanding and knowledge of the author in such a manner that the knowledge could be exercised within Liverpool City Council and put to practical use.

5.3.1 Aim 1 – To understand contemporary thinking on flexibility

In order to respond to the research question, we must first understand the nature of the issue that we are researching. It is important to be able to draw from a knowledge pool and to understand the knowledge with which we intend to answer the research question.

Slack (2005) highlights that the nature of flexibility remains relatively ambiguous and states that “*this is evidenced by the multitude of definitions and facets of flexibility*”.

Sethi and Sethi (1990) identified over 50 definitions in their work alone not to mention the numerous definitions of other authors.

However, this is not to say that the nature of flexibility, even accounting for ambiguity cannot be understood.

Our literature review took consideration of a wide range of work from Schumpeter (1934) to Volberda (2009) and we were able to give consideration to many studies of flexibility such as Riley and Lockwood (1997) and other studies which indicate the importance of organisational flexibility such as Miles and Snow (1994).

From a starting point reviewing change management literature we saw Miles & Snow (1978) assert that organisational performance is greatest when external and internal factors are in alignment. Similarly, Covin and Slevin (1989) claimed that a business unit may need to respond rapidly to unforeseen changes which reinforces Schumpeter's (1934) point about the importance of reacting to changes in the environment. The ability of the organisation to cope with such change is defined by Sanchez (1995) and Upton (1994) as organisational flexibility. We start to see the emergence of flexibility from our review of change management theory.

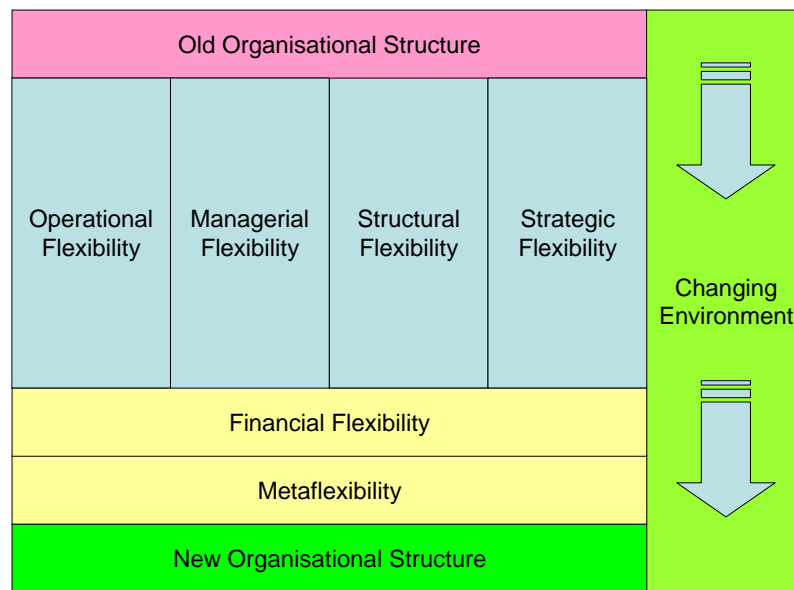
Schumpeter (1934), Child (1972) and Porter (1985) all indicate the value of strategic flexibility and Verdu-Jover et al (2008) indicate that flexibility is a new paradigm. From the strategic discussions we see the emergence of different types of flexibility within the organisation.

We see the emergence of financial flexibility as a key element (Evans, 1991; Upton, 1994; Sanchez, 1995; Volberda, 1998; Sommer, 2003) as organisations are able to utilise their resources whether they be financial or human in different ways to meet the environmental requirements.

The issue of metaflexibility is also highlighted with works by Henderson and Cockburn (1994), Zahra and George (2002), Bukszar (1999) and Volberda (1996) all expressing the importance of meta-capabilities in respect of organisational flexibility. The hierarchy of capabilities establishes different types of flexibilities: operational, structural and strategic (Grant, 1996; Ansoff and Brandenburg, 1971; Volberda 1996) (figure 2.3) and we have seen a number of models utilised to explain how the different types of flexibility work.

The proposal of a conceptual model in chapter 2 (figure 5.1) combines the emerging

Figure 5.1 – Conceptual Organisational Flexibility Model



aspects of flexibility covered in the review of contemporary thinking.

However, as Slack (2005) points out, most studies of flexibility have been in respect of manufacturing sector organisations. There have been few studies of how the service sector responds to changes in environment (Harvey et al., 1997) and Verdu-Jover et al (2004) agree that although this is recognised as an important part of performance improvement, there are few studies that measure this gap. The lack of studies not just in the service sector but in the public sector is a barrier to a full understanding of the impact that flexibility can and does have in an organisation such as Liverpool City Council.

Notwithstanding this gap, we have achieved our aim and established a good understanding of the contemporary thinking around flexibility as demonstrated through the literature review and development of a relevant conceptual model.

5.3.2 Aim 2 – To understand contemporary models of measuring flexibility in organisations

In outlining our analysis of aim 1 above, we referred to the literature review in respect of understanding flexibility. This aim is similar and builds on the knowledge

established in aim 1 by utilising the facets discussed in the literature review to build our conceptual model.

Slack (2005) had pointed out that most studies concentrated on the manufacturing sector and even his earlier works (Slack, 1987) had suggested systems based on the manufacturing sector. Other models have also been developed for measuring flexibility. We have seen that Kathuria (1998) developed a set of scales to measure organisational flexibility and Martinez-Sanchez et al (2008) and Collins and Schmenner's (1993) also developed measurement models that were based on the manufacturing sector.

However, there are some studies of service sectors such as Silvestro (1993) and Correa and Giansesi (1994). De Toni and Tonchia (1998) established their own vertical classification of flexibility and Wadhwa and Rao (2002) proposed a flexibility maturity model.

When we carried out our literature review and subsequent analysis of aim 1, we found that there were 6 main aspects of flexibility that emerged:

- Financial flexibility
- Managerial flexibility
- Metaflexibility
- Operational flexibility
- Structural flexibility
- Strategic flexibility

Whilst we were able to find examples of models that enabled measurement of some of these aspects such as Volberda's (1996) conceptual model of organisational flexibility and the model of managerial flexibility proposed by Verdu-Jover et al (2008), none of these models measured all the aspects we wanted to measure. they did however propose methodologies of measurement that allowed us to establish both our conceptual model and its subsequent measurement tool.

We utilised a combination of the Flexibility Analysis and Restructure Tool (Volberda, 2009) and the measurement model used by Verdu-Jover et al (2008).

It was easy to see that all models had their shortcomings and models were either inappropriate for measuring flexibility in a public sector environment where we are essentially a service based industry or they were reliant on aspects more appropriate in the private sector with measure of share values and profitability. Even for those models that were thought appropriate we need to remember that as pointed out in section 5.2 above, lessons from the private sector are not always transferable to the public sector (Parker and Bradley, 2000).

Development of the appropriate conceptual model in section 2.5 was essential to enable an effective measurement tool to be developed. The methodology in chapter 3 outlined the choice of questions around our conceptual model and demonstrated our grasp of flexibility measurement. The findings of chapter 4 pointed to the wider aspects of flexibility gaps and the measurement of flexibility gaps in section 4.3.3 with associated measurement displayed in tables and graphs further strengthens the validity of an understanding of contemporary models of measuring flexibility in organisations. We can conclude, therefore that our aim has been met and as a result we are in a position to contribute to the final two aims and answer the research question.

5.3.3 Aim 3 – To investigate the impact on flexibility of management by the introduction of Business Units in Liverpool City Council.

The aims of this research were established to build on the understanding developed in the first two aims to allow an investigation to be carried out in aim three. This can then be utilised to develop a response to aim four and answer the research question.

In chapter 4 we presented our findings that resulted from our survey of the managers in Liverpool City Council's Business Units. We had a high response rate of over 70% and our findings showed in table 4.1 that we had responses from all sectors within the organisation. We can therefore state that the response is representative of the business units in Liverpool City Council at the time of response.

We were able to analyse the aspects of flexibility across the Business Units and measure the flexibility both at the time of responding and prior to the establishment of the new Business Units. Respondents answered questions in respect of:

- Financial flexibility
- Managerial flexibility
- Metaflexibility
- Operational flexibility
- Structural flexibility
- Strategic flexibility

From this we can draw conclusions about further aspects of flexibility as follows:

- Required flexibility
- Total flexibility
- Flexibility gap

We saw from our findings in chapter 4 that the variance in the middle measures for all types of flexibility had increased with the exception of financial flexibility where there was a slight negative variance in the mean value. Most theories agree that financial flexibility is a key element (Evans, 1991; Upton, 1994; Sanchez, 1995; Volberda, 1998; Sommer, 2003) of organisational flexibility and it is recognised that financial flexibility has a significant influence on other aspects of flexibility. Financial flexibility should be viewed as a key influence on how organisations structure their operations (Singh and Hodder, 2000). Without an optimal flexible financial structure that guarantees financing of changes, the flexibility fit is not possible. From table 5.1 we can see that of all the differing types of flexibility that financial flexibility has not increased and has actually shown a slight negative tendency. This is also reflected in table 5.2 and we have seen in section 4.3.4 that the numbers of business units reporting a substantial decrease (ie greater than 10%) is relatively high at 14 (26.9%). This leaves 17 respondents (33.33%) indicating that their financial flexibility has increased following the change to the business unit structure.

Table 5.1: Flexibility middle measures

Mean Values			
	Now	Previous	Variance
Financial Flexibility	3.88	3.93	-0.06
Managerial Flexibility	4.33	4.00	0.33
Metaflexibility	5.64	5.17	0.46
Operational Flexibility	4.21	3.99	0.22
Structural Flexibility	4.22	3.92	0.30
Strategic Flexibility	4.54	4.21	0.33
Median Values			
	Now	Previous	Variance
Financial Flexibility	4.00	4.00	0.00
Managerial Flexibility	4.40	4.00	0.40
Metaflexibility	5.80	5.20	0.60
Operational Flexibility	4.00	3.80	0.20
Structural Flexibility	4.22	4.00	0.22
Strategic Flexibility	4.67	4.17	0.50

At the other end of the scale we can see from table 5.1 that metaflexibility has shown the greatest improvement. However, it is interesting to note that this also shows the highest overall score.

This type of flexibility is referred to by Slack (2005) as a higher order ability and according to Zahra and George (2002) is about higher order learning and absorptive capacity. It is the ability to integrate existing capabilities with new ones (Henderson and Cockburn, 1994) or the administrative ability to resolve paradoxes Volberda

(1996). They also found that a greater level of organisational metaflexibility leads to a better fit of the level of managerial flexibility.

The other types of flexibility have all shown increases in their middle values and this reflects an increase in the perceived levels of flexibility. A quick look at the numbers of business units recording significant increases (more than 10%) is also significant as shown in table 5.3.2. This demonstrates that for each type of flexibility there are significant numbers recording large increases with the exception of financial flexibility which we have already discussed.

Table 5.2: Numbers of Business Units Showing Increase / Decrease

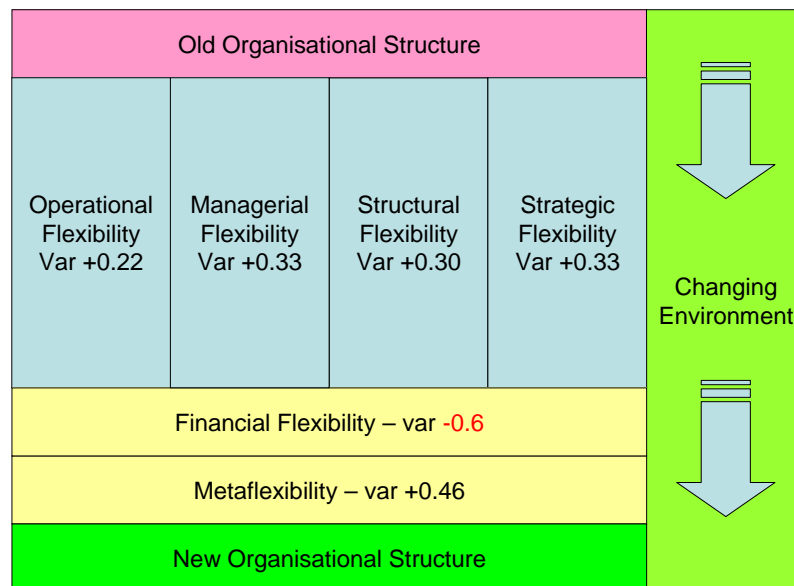
Numbers of Responses Showing Increase / Decrease					
	Decrease	>10%	No Change	Increase	>10%
Financial Flexibility	19	14	15	17	8
Managerial Flexibility	5	2	20	26	18
Metaflexibility	6	2	13	32	24
Operational Flexibility	8	3	19	24	15
Structural Flexibility	11	7	9	31	20
Strategic Flexibility	6	4	15	30	23

We can see the overall impact of these statistics if we overlay the variances in the mean values on our conceptual model as indicated in figure 5.2. It can be seen that the change from the old organisational structure to the new organisational structure is being restricted by the somewhat lower value of financial flexibility as each of the other types of flexibility in the organisation increases.

However, our study is also able to measure the overall flexibility of the organisation as detailed in section 4.3.2 where we saw that the mean value for the organisation as a whole had increased from a value of 4.17 to 4.48 a difference of 0.32 and the median

value has also increased from 4.18 to 4.55 a rise of 0.36. So despite the somewhat restrictive value of financial flexibility we could claim from our conceptual model that the increase in metaflexibility has helped us to overcome this restriction.

Figure 5.2 – Conceptual Organisational Flexibility Model with Variance



This only represents part of the issue in respect of matching the organisation to the changing environment.

In section 4.3.1 we were able to analyse the flexibility requirement of the organisation and found that the mean (3.87 up to 3.94) and the median (3.75 up to 4.00) have both increased slightly. We also found that there was an increase in the flexibility requirement in 18 business units (35.29%) whilst 5 actually require less (9.80%) and 28 (54.90%) have no change in their flexibility requirement.

When we consider the overall flexibility levels in the organisation and within each business unit as we have done in section 4.3.2, we are able to establish the flexibility gap as detailed in section 4.3.3. The gap calculated as the difference in the middle measures has actually widened. The gap indicated by the variance has increased from a mean of 0.24 to 0.54 and the median from 0.18 to 0.59. This indicates the flexibility gap has widened.

We also found in section 4.3.3 that we had 15 (29.41%) respondents below the required flexibility levels and 35 (68.63%) above the required flexibility level compared to the previous 18 (35.29%) below and 33 (64.71%) above the required flexibility. Another finding highlighted that we had 34 (66.67%) respondents who indicate that their total flexibility has increased at a greater rate than their associated required flexibility whereas there are 13 (25.49%) where the requirement is growing at a quicker rate than their total flexibility.

It is important that we are aware of this flexibility gap as this represents a lack of alignment of the organisation's strategy with its environment (Venkatraman and Prescott, 1990).

With Miles and Snow (1978) asserting that organisational performance is greatest when external and internal factors are in alignment, we have seen that the flexibility gap has widened following the introduction of business units and therefore, we could expect a decrease in organisational performance.

Having given consideration to the relevant literature and models, we have been able to design a conceptual model that we have utilised to investigate the impact on flexibility of the introduction of business units in Liverpool City Council. We have seen from the findings in chapter 4 and our discussions of aims one and two in sections 5.3.1 and 5.3.2 above that we have been able to apply a measurement technique to ascertain the impact on organisational flexibility and have found that whilst the organisational flexibility has increased, the flexibility requirement has increased at an even faster rate and as such, the flexibility gap has widened.

We can therefore, conclude that we have successfully met this aim and can build on this knowledge to meet our next aim.

5.3.4 Aim 4 – To make recommendations for improving the impact of the new business unit structure on management flexibility based on research aims one, two and three

In meeting our objective for aim one; we built up a good understanding of contemporary thinking on flexibility, based on an extensive literature review. We were able to build on this knowledge to understand the models that exist to measure flexibility in organisations and meet the requirements of aim two. In meeting aims one

and two we were able to build our own conceptual model and design a measurement tool that allowed us to investigate the flexibility in Liverpool City Council and respond positively to aim three.

Chapter three outlined our methodology and we noted that this study will be put to practical use within Liverpool City Council. The axiological view of the researcher expressed in chapter three is such that it is necessary to produce recommendations as a result of the study rather than just state observations about the flexibility of the organisation.

There are three main recommendations that have come from our research:

- Financial flexibility has emerged as the only type of flexibility not to have increased. It is recommended that a review of financial flexibility is undertaken to establish the factors that have contributed to this and appropriate plans made to overcome any barriers to improving this situation.
- Targeted flexibility – our findings in section 4.3.1 highlight that different business units have different flexibility requirements. We also established that they have different levels of flexibility (section 4.3.2) and subsequently there is a different flexibility gap for each business unit (section 4.3.3). It is recommended that we implement a targeted flexibility programme. Such a programme would allow for the cut back in flexibility for those units with levels that are above their requirements and increase flexibility in those units with too little flexibility. This would result in a smaller flexibility gap and would improve overall performance.
- Annual flexibility analysis – the flexibility analysis was carried out at a particular moment in time. We have found that the external environment changes over time and that flexibility allows us to align the organisation with the environment (Verdu-Jover, 2008). It is therefore, necessary to hold regular reviews of the flexibility gap to ensure that the gap is being kept as narrow as possible. It is therefore recommended that there is an annual flexibility analysis.

These recommendations are fully discussed in chapter 6 where we discuss the relevance of the findings and give a more detailed justification for the recommendations. We have now evidenced that we have met the requirements of our final research aim and can discuss the research question in light of our analyses and conclusions from our research aims.

5.4 *Analysis / Conclusions about the research question*

Our research question asked “Has the Introduction of Homogenous Business Management Structures Improved Flexibility of Management in Liverpool City Council?”

Our study took us through a comprehensive literature review in which we discovered several different aspects to the nature of flexibility. Having understood these aspects we built a conceptual model that allowed us to construct a measurement tool appropriate to answer the research question.

We subsequently found that the data indicated we had increased our flexibility in all aspects with the exception of our financial flexibility which appeared to have remained stagnant. So whilst the total flexibility has increased from a mean value of 4.17 to 4.48 financial flexibility has shown a very slight decrease from 3.93 to 3.88.

On the surface, this would appear to be the answer to the question however our study has shown that the nature of flexibility is such that it enables the organisation to fit with its environment to improve performance.

We have seen from section 5.3.3 above that the flexibility gap between the flexibility of the organisation and the flexibility required to fit the environment has actually widened from a mean variance of 0.24 to 0.54.

So whilst we can strictly respond that the introduction of homogenous business management structures has improved the flexibility of management in Liverpool City Council, we should be aware that the flexibility question is much wider.

5.5 *Overall conclusions*

Our study has shown us that the research question does not have a straight yes or no answer. The question of flexibility contains a number of facets that must be examined in more detail to fully understand the totality of organisational flexibility. It must also be understood that we seek to improve our flexibility in order to improve our performance.

It is not necessarily true that we must increase our flexibility to increase our performance, rather we must contain our flexibility at a level that enables us to achieve a fit with our environment.

We note that the environment is constantly changing and as such, the level of flexibility within an organisation may fit at one point in time but this may not be appropriate at another point in time (Verdu-Jover et al., 2004).

It is, therefore important to be continually aware of the changing environment and the changing flexibility requirement of the organisation itself.

We have seen that the overall flexibility of Liverpool City Council has improved following the introduction of the business unit structure but we have also seen that the flexibility gap has widened and that financial flexibility has remained stagnant. So whilst we have reached a point where we can answer the research question, we can conclude that we now understand the nature of flexibility, its component features and how it impacts the performance of the organisation.

5.6 *Limitations of the study*

There are few limitations that have not already been outlined, however as we have progressed through the study other limitations have emerged.

Slack (2005) highlighted that flexibility studies have been dominated by the manufacturing sector with comparatively few studies of the service industry. We were expecting to be able to draw from some flexibility studies of public sector

organisations however from our literature review it soon emerged that there were very few such studies.

The main limitations are those inherent within the research question itself. The question “Has the Introduction of Homogenous Business Management Structures Improved Flexibility of Management in Liverpool City Council?” raises two limitations:

- The assumption that the business management structures are indeed homogenous when they may be subject to differences in interpretation and understanding between managers
- The assumption that any changes to flexibility levels is a result of the introduction of new structures when there may be a level of natural change or another reason for changes to flexibility

The final limitation has been the response rate. Whilst achieving a good overall response rate of over 70%, the analysis of respondents in section 4.2 revealed that the response rate from those business units in aim1 was much lower at 50% and the study may not, therefore be fully representative of those business units.

5.7 Opportunities for further research

In the previous section we outlined one of the limitations as being the lack of flexibility studies of public sector organisations. This raises the opportunity for studies to be conducted of other public sector organisations or even an opportunity to compare the flexibility of different public sector organisations.

There is also the possibility to conduct research across a wider research base within the organisation rather than restricting the research to a single management tier.

A third opportunity is to research one aspect of flexibility in detail. This may be for example a detailed study of financial flexibility.

Finally, whilst we have considered flexibility across the organisation it may be that there is a case for a detailed study of the flexibility of specific business units within the organisation.

Chapter 6 - RECOMMENDATIONS

In consideration of our findings and analysis, there are three main recommendations that have come from our research. These recommendations have come from aspects pointed out in chapters 4 and 5 where we have already outlined some of these issues in some detail.

6.1 Recommendation 1 – Financial Flexibility

We saw in our literature review that financial flexibility is a key element (Evans, 1991; Upton, 1994; Sanchez, 1995; Volberda, 1998; Sommer, 2003) of organisational flexibility and it is recognised that financial flexibility has a significant influence on other aspects of flexibility. Financial flexibility is regarded as a key influence on how organisations structure their operations (Singh and Hodder, 2000).

Table 6.1: Flexibility middle measures

Flexibility	Mean Values			Median Values		
	Now	Previous	Variance	Now	Previous	Variance
Financial Flexibility	3.88	3.93	-0.06	4.00	4.00	0.00
Managerial Flexibility	4.33	4.00	0.33	4.40	4.00	0.40
Metaflexibility	5.64	5.17	0.46	5.80	5.20	0.60
Operational Flexibility	4.21	3.99	0.22	4.00	3.80	0.20
Structural Flexibility	4.22	3.92	0.30	4.22	4.00	0.22
Strategic Flexibility	4.54	4.21	0.33	4.67	4.17	0.50

In chapter 4 we found that the middle values recorded against financial flexibility were the only ones that had not increased. The variance of the median values had remained static and the variance of the mean values had actually dropped (table 6.1). We have also seen in section 4.3.4 that the numbers of business units reporting a substantial decrease (ie greater than 10%) is substantially high at 14 (26.9%) as indicated in table 6.2 below.

Table 6.2: Numbers of Business Units Showing Increase / Decrease

Numbers of Responses Showing Increase / Decrease					
	Decrease	>10%	No Change	Increase	>10%
Financial Flexibility	19	14	15	17	8
Managerial Flexibility	5	2	20	26	18
Metaflexibility	6	2	13	32	24
Operational Flexibility	8	3	19	24	15
Structural Flexibility	11	7	9	31	20
Strategic Flexibility	6	4	15	30	23

Given the importance of financial flexibility and the relatively low level recorded in our study, it is recommended that a review of financial flexibility is undertaken to establish the factors that have contributed to this and appropriate plans made to overcome any barriers to improving this situation.

Such a review and the development of an action plan could be carried out within a relatively short period of time and a suggested timetable is detailed in table 6.3 below.

Table 6.3: Financial Flexibility Review

Financial Flexibility Review Action Plan	
Action	Timescale
Review financial flexibility questions in study	1 day
Develop a more comprehensive financial flexibility survey	4 days
Pilot survey	2 weeks
Survey period	2 weeks
Group discussions	1 week
Analysis of responses	1 week
Development of detailed action plan	2 days

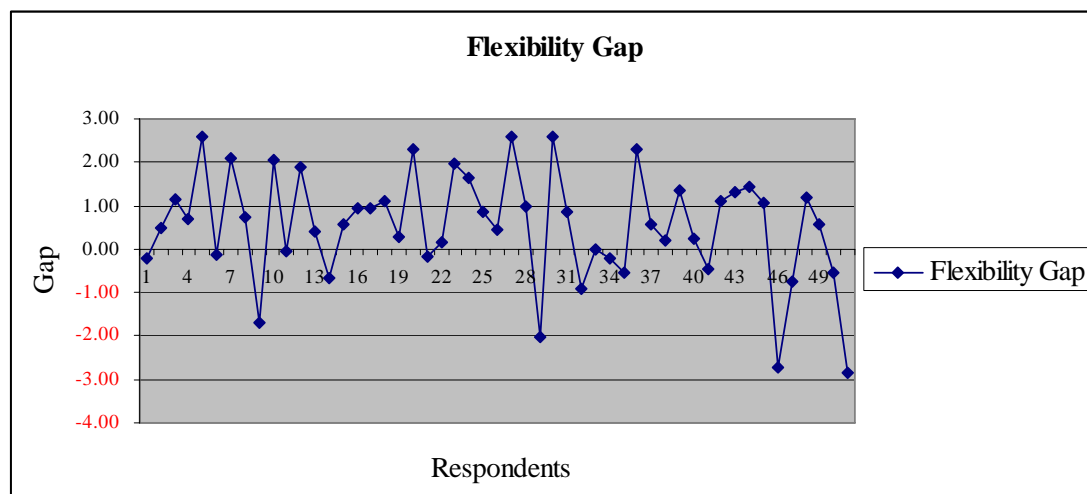
This timetable would see the development of a detailed action plan within 8 weeks of the action being initiated and could be carried out utilising current resources with no additional costs incurred.

6.2 Recommendation 2 – Targeted Flexibility

With Miles and Snow (1978) asserting that organisational performance is greatest when external and internal factors are in alignment. In our study we identified that this fit requires a certain level of flexibility in the organisation and the difference between the actual level of flexibility and the required level is identified as the flexibility gap. It is important that we are aware of this flexibility gap as this represents a lack of alignment of the organisation's strategy with its environment (Venkatraman and Prescott, 1990).

In section 4.3.2 we found that the flexibility gap has widened following the introduction of business units and therefore, we could expect a decrease in organisational performance. It was found that we had too high a level of flexibility and when we looked closer at this, we found that there were a significant number of business units that either had too much (68.63%) or too little (29.41%) flexibility as shown in figure 6.1 below.

Chart 6.1 – Flexibility Gap



With flexibility exceeding the requirement in so many business units and only one business unit meeting their required flexibility, this result is too significant to overlook.

It is, therefore recommended that we implement a targeted flexibility programme. Such a programme would allow for the cut back in flexibility for those units with levels that are above their requirements and increase flexibility in those units with too

little flexibility. This would result in a smaller flexibility gap and as such would improve overall performance.

Such a programme would require the support of the Chief Executive and would require a formal mandatory flexibility survey of all business units from which to draw our targeted cohort.

A suggested timetable for the rollout of such a programme is detailed in table 6.4 below.

Table 6.4: Targeted Flexibility Programme

Targeted Flexibility Programme	
Action	Timescale
Develop a mandatory comprehensive flexibility survey	1 week
Pilot survey	2 weeks
Survey period	2 weeks
Group discussions	1 week
Analysis of responses & identification of cohort	1 week
Development of detailed programme	1 week
Communication of programme	1 week
Rollout of programme	3 months

This timetable would see the start of the rollout of such a programme in 9 weeks. The actual rollout has been detailed as taking 3 months but this will be dependent on staff availability and the detailed requirements of the programme. It should be possible to utilise current resources to carry out this work however there may be aspects for which external resource may be needed especially in respect of the delivery of specialised training. The full costs should emerge in the stage referred to as the development of detailed programme.

6.3 Recommendation 3 – Annual Flexibility Analysis

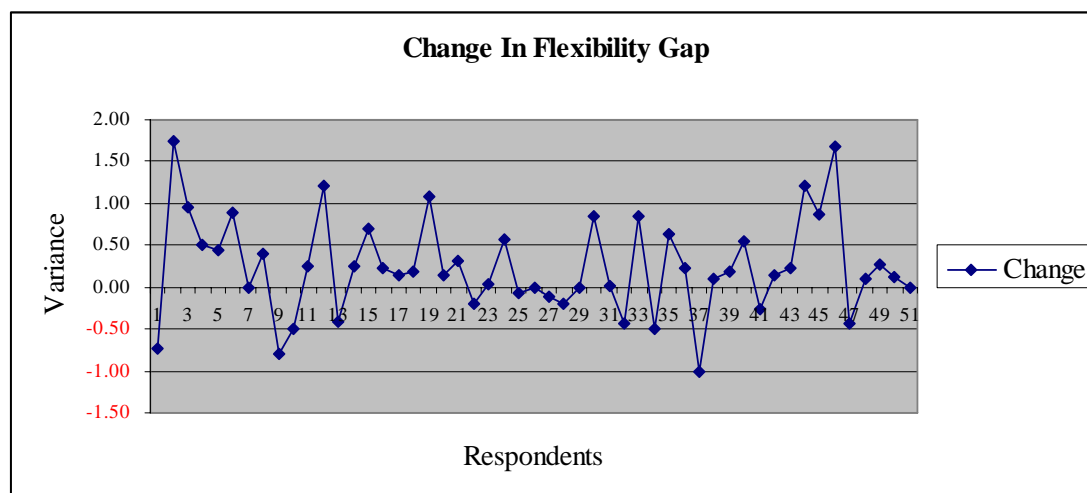
In our literature review we established an acceptance of the point that the traditional model of public sector organisation is not perceived to be successful at adapting to the rapid rates of social change that we now face (O’Brien, 2002) and that governments are faced with an emerging public conviction that the public sector is too large and

inefficient (Brown, Waterhouse and Flynn, 2003). Schumpeter (1934), Child (1972) and Porter (1985) have all indicated the importance of flexibility to enable organisations to adapt to their changing environment and we have seen that performance is greatest when the organisation is in alignment with its environment and as pointed out by Miles and Snow (1978). However this is dynamic and therefore only known at any one point in time (Verdu-Jover et al, 2008).

The time horizon for our research extended beyond the start of the research and this gave rise to a couple of issues identified in the critical evaluation of our methodology in section 5.2. Firstly that we can only survey managers who are in post at the time of the survey and secondly that there may be an element of memory bias such as the Zeigarnik effect (Dodhia and Dismukes, 2008).

In order to ensure the organisation continues to be in alignment with its environment and hence maximise performance, we need to carry out a regular flexibility audit. Our study has shown as stated in chapters four and five and referred to in section 6.2 above that the flexibility gap in Liverpool City Council has widened and when we consider chart 6.2 we can see that there has been a significant level of change in the flexibility gap.

Chart 6.2 – Change in Flexibility Gap



It is therefore recommended that Liverpool City Council carries out an annual flexibility analysis. This analysis can then be used to monitor the flexibility gap and

relevant action can be taken dependent on the analysis to ensure the gap is minimised and performance, therefore is maximised.

Completed on an annual basis, the suggested timetable below in table 6.5 indicates that this could be completed in approximately 8 weeks.

Table 6.5: Annual Flexibility Analysis

Annual Flexibility Analysis	
Action	Timescale
Development of annual flexibility survey	1 week
Pilot survey	2 weeks
Survey period	2 weeks
Group discussions	1 week
Analysis of responses	1 week
Development of detailed analysis report	1 week

This annual survey could become part of the standard business planning process and be included in the year end review which would effectively absorb any associated costs and give direct access to all business units in a manner that assures 100% response rates.

6.4 Summary

In the introduction to this study we set out our research question and set out four aims that would enable the question to be answered. The final aim was concerned with using the findings from the first three aims to make recommendations to improve the impact of the new business unit structure on the flexibility of the organisation.

The recommendations that have emerged from the study are:

- a review of financial flexibility in the organisation is undertaken
- the organisation implements a targeted flexibility programme
- Liverpool City Council carries out an annual flexibility analysis

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Appendix i

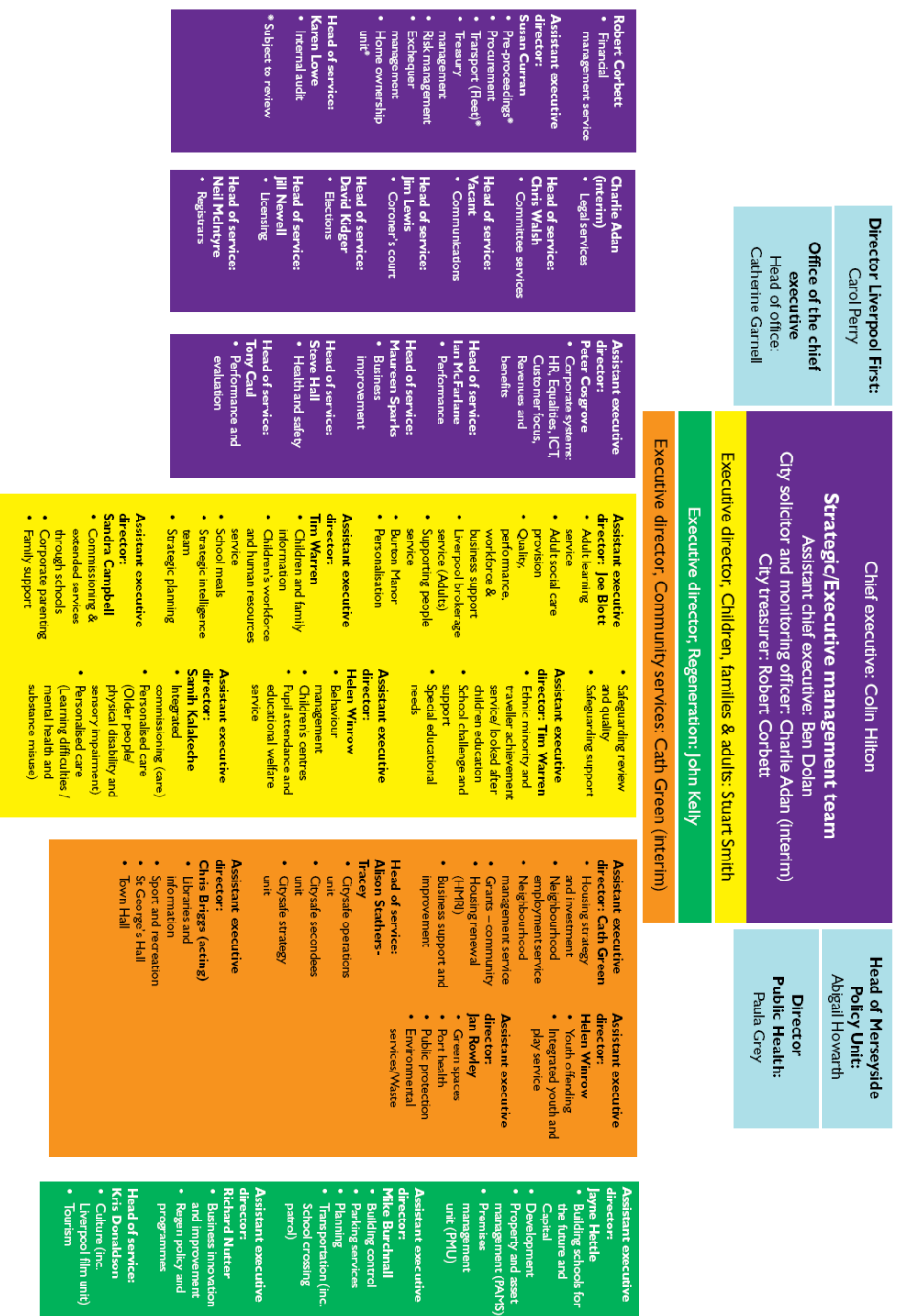
The Future Shape of Liverpool City Council

The future shape of Liverpool City Council

Management conference,
17 November 2008
Briefing pack



Liverpool City Council management organisation



Sustainable communities strategy 2009 - 2024

Local area agreement

Liverpool First board (LFB)

LFB executive advisory group

Competitiveness Connectivity Health & wellbeing Distinctive sense of place Thriving neighbourhoods

Top 35 national indicators informing progress on outcomes

AIMS

Improve our corporate capacity Grow the economy Empower our residents Develop our communities

Economic growth

Children and young people

Health and wellbeing

Housing

Safer stronger communities

Executive board of Liverpool City Council

Deputy leader	Executive member Ethical governance	Executive member Enterprise and tourism	Executive member Education, skills and employment	Executive member Environment
Leader	Executive member Performance	Executive member Assets and development	Executive member Health, care and safeguarding	Executive member Safer, stronger communities
Chief executive	Assistant chief executive	Executive director Regeneration	Executive director Children, families and adults	Executive director Community services
	City treasurer			
	City solicitor and monitoring officer			

Overview & scrutiny	Corporate services	Regeneration	Education & skills	Health, care & safeguarding	Sustainable communities	SCRUTINY COMMITTEES
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Colin Hilton's project teams

To progress our new way of working, so we can deliver on our aims and improvement agenda, chief executive Colin Hilton has set up five project teams.

Business units and Oracle

Led by Peter Cosgrove, assistant executive director, corporate systems

Remit: To establish a business unit structure and to update and clean the Oracle HR & Payroll system. This will enable managers to access accurate and current information on the organisation and their staff, which can be used for operational management, workforce planning, organisational development, monitoring and statistical purposes.

Business planning

Led by Ben Dolan, assistant chief executive

Remit: To establish a clear framework for business planning, building in personal and business unit accountability for value for money, (cost and performance), customer focus and compliance (statutory and council).

As an integral part of the corporate planning framework, business plans will be essential tools in determining the allocation of resources; showing how the authority aligns its resources (financial, human and assets) to its priorities.

Financial systems

Led by Peter Casterton, head of finance (Corporate services and the Chief executive office)

Remit: The corporate financial system SAP provides all financial management information for the council. The financial coding and accounting structure on SAP will be realigned to reflect the new management structure.

Staff business development and support

Led by Kathryn Smith, head of legacy and business transformation

Remit: To undertake the necessary development of staff to achieve and sustain the business unit structure. And, to analyse and establish the back office support systems for business units on an equitable, effective and efficient basis.

Communications

Led by Leo Simmons, interim head of marketing

Remit: To communicate the restructure to get understanding and buy in from staff, members, partners and stakeholders and to have the council's improvements recognised externally in assessments by, for example, the Audit Commission.

Key points to pass on to your staff

1. Liverpool City Council is changing the way it works. We're reorganising so we can all deliver on our three aims:
 - **Growing** the economy
 - **Empowering** our residents
 - **Developing** our communities

Service areas are changing into **business units** structured around our aims. This means that – from immediate effect – we'll no longer work within portfolios.
2. The council's three executive directors – John Kelly, Stuart Smith and Cath Green (interim) – are stepping away from day-to-day management of services, to have a **more strategic, cross-cutting role**. This should give them a clear overview of how the council is doing.

Each executive director will be personally responsible for delivering results on one aim each, reporting monthly alongside two executive members.

John Kelly's aim is growing our economy, Stuart Smith's is empowering our residents and Cath Green's is developing our communities.
3. Assistant executive directors will lead **groups of business units** and be responsible for pursuing improvements. They'll also make sure that those managing business units (i.e. heads of business units, formerly known as heads of service) deliver on these five things:
 - Performance – how effective and efficient a service is
 - What customers think of the service (customer focus)
 - Compliance (are we meeting our legal obligations on health and safety etc.)
 - Cost and resources
 - Value for money

The **future** **shape** of Liverpool City Council



4. Chief executive Colin Hilton has set up project teams to help deliver these changes. They're looking at:
 - what practical support and information business unit managers need
 - improving communications
 - updating and strengthening our corporate systems
 - like SAP financials and Oracle HR & Payroll
 - and business planning.
5. Business unit managers will draft their first business plans by March 2009.

Questions? Ideas?

Your questions and feedback on our new way of working are very welcome.

Contact internal.communications@liverpool.gov.uk,
call 233 3040 (minicom 225 2375) or text 07740 177 229.

They'll publicise the most frequently asked questions in future issues of Council People and In the Know.

Glossary of terms

Comprehensive performance assessment (CPA)

The current national performance regime for local government, run by the Audit Commission. It provides performance ratings for councils based on an assessment of the quality of core services and financial and corporate management.

In October 2007, Liverpool City Council was given a rating of **one star - improving adequately**, down from two stars in 2006. This was due to our 'use of resources' score dropping from two in 2006 to one in 2007. (The CPA rules state that councils with a one for use of resources can only score one star overall.) 2008 is the last year of CPA – and our final 'scorecard' will be published in February 2009.

Comprehensive area assessment (CAA)

CAA is replacing CPA (see above) from April 2009. It represents a wholesale change in approach to the regulation of councils and other public bodies.

It places emphasis on partnership working and the delivery of local area agreements (LAA – see below for more details).

CAA will assess how well councils and partners set priorities to improve quality of life (e.g. local economy, housing, healthy living, crime reduction), and their achievement. The final framework is published in early 2009 but will comprise:

- **an area assessment** – reporting on the prospects for the city, the priorities set and achievements made by the council and its partners (agreed through local strategic partnerships). It also includes an evaluation of future plans. The area assessment is not scored but will flag up best practice and areas of weakness/concern
- **an organisation assessment** – of the main public agencies (the council, Merseyside Police, Liverpool Primary Care Trust and the Fire and Rescue service). This scores how well the council uses resources, provides value for money and manages performance.

Corporate aims and priorities document (CAP doc)

This is the council's high level business plan, setting out how we will take forward our three aims and ten priorities. It shows the council's contribution to the LAA (see overleaf) – with many shared performance measures and targets.

It also states how we will advance our aims, detailing the measures and targets for each priority, with the key actions for 2008/09, their date for completion and performance targets for each of the next three years. Performance against our aims is reported monthly to members and published on the internet.

Download the CAP via the intranet (How do I...?/C) or ask internal communications for a copy.

Frequently asked questions

1. What difference does this make to staff?

To start with, you're unlikely to notice any big changes. The immediate changes affect senior managers more than anyone else.

But as our new way of working together as business units beds in, you should start to notice differences.

For example, at your annual performance review and development meeting and keep in touch/supervision meetings, your line manager will talk about how you've done against your business unit's business plan.

You should discuss things like how effective your work and your team's work is, what customers think of the service and whether you're meeting any legal standards/targets.

Other things to look out for: your assistant executive director! They will be taking a bigger role in driving the council's day-to-day business, so you should notice them out and about more, talking and listening to you.

And as Colin Hilton's special project teams deliver their work, you will start to see that our corporate systems (like the SAP financial system and Oracle HR & Payroll data, which is currently being cleaned) work better.

2. How do I find out what business unit I'm in?

Most business units will keep the same name they had as a service area. A structure chart is available on the intranet or from internal communications.

If you're not sure which one you're in, ask your line manager. If your line manager is not sure, contact internal communications on 233 3040 (minicom 225 3275)
email internal.communications@liverpool.gov.uk

3. What do I need to do now?

If you are a member of staff – speak to your manager about which business unit you are in and which aim(s) your unit will help to deliver.

Make sure you get to see your unit's business plan when it is finalised next spring.

If you are a line manager – speak to the head of your business unit about what happens next. Ensure all staff in your unit understand about the changes and why we are making them.

Glossary of terms (continued)

Corporate improvement programme (CIP)

This is a new comprehensive programme to strengthen our financial and performance planning and management (strand two of the SIIP).

There are five programme areas:

- Future shape of the council
- Assets and customers
- Corporate planning framework
- Use of resources
- Human resources

It's designed to ensure the council is fit for purpose and can evidence that we are a well managed organisation.

Some of these projects will be complete by February 2009, others will be ongoing to March 2010.

Local area agreement (LAA)

LAAs are a government initiative introduced in 2007. Liverpool's LAA is the delivery plan for the sustainable communities strategy (see overleaf). LAAs devolve greater decision-making and flexibility to a local level, so that action can be taken on local priorities and problem areas, and improvements made to the quality of life of Liverpool's residents.

The 2008/11 LAA sets out, through Liverpool First, the three year targets partners will work together to achieve.

Multi-area agreement (MAA)

We're developing a MAA with Merseyside local authorities, statutory agencies, government and the private sector, to focus our resources on improving inward investment and infrastructure, enterprise and business growth, skills and employment, transport and housing. A draft MAA has been agreed and submitted to the government.

Glossary of terms (continued)

Strategic innovation and improvement plan (SIIP)

This is the council's improvement plan, which was drawn up following the Audit Commission's corporate assessment in October 2007.

The SIIP is a plan to improve corporate capacity, so the council better supports frontline services and the achievement of the council's three aims.

It has four strands: future ambitions and delivery; finance; organisational culture and governance; and other areas (which includes, for example, achieving single status, equal pay, improving risk management and equality action plans).

It lays out the key actions, timescales, outcomes, lead officer details and progress to date to improve our corporate capacity.

Copies are available to download from the intranet (go to How do I...?/SIIP) or contact internal communications@liverpool.gov.uk (tel 233 3040, minicom 225 3275, text 07740 177 229).

Strategic innovation and improvement group (SIIG)

This is an external group of peers set up to help the council monitor the progress of the SIIP. It meets about every six weeks and comprises representatives from government office, Audit Commission, I&DeA (Improvement and development agency), Leadership Centre, Regional Improvement and Efficiency Partnership (RIEP) and the LGA (Local Government Association). It is chaired by Professor Michael Brown of Liverpool John Moores University.

Sustainable communities strategy 2009 – 2024 (SCS)

This is the overarching vision and strategy for the city developed through Liverpool First, the local strategic partnership (LSP). (A LSP comprises major stakeholders, including government organisations, public sector agencies, and representatives from business, voluntary and community groups.)

A new strategy (up to 2024) has just been out to consultation. It describes how partners will work together to make Liverpool 'a thriving international city of world status' and is based around five key drivers – more competitiveness, better connectivity, a distinctive place to live, work, visit and invest; thriving neighbourhoods and improved health and wellbeing.

It will be published in early 2009 and aligns with the council's corporate plan (and our aims and priorities) and the local area agreement.

Appendix ii

Data Requirements Table

Data Requirements Table					
Objective: To establish the perceived flexibility within business units now and previous to their establishment and to determine if the flexibility gap has widened.					
Investigative Elements	Question Source		Relevant Question	Questions	
	VJ*	Vo**			
Classification					
internal / external customers		X	1	1 Are your customers mainly internal or external? 2 Would you describe your tasks to be wide and varied (possibly across an aim) or more narrowly defined (possibly quite specialised)? 3 Are your tasks mainly quick turnarounds or are you able to plan in advance? 4 Are your tasks subject to frequent changes in either legislation or customer requirements?	
scope of task		X	2 3 4		
government / statute restrictions		X	4		
Financial Flexibility					
HR	X	X	5 9	5 I am able to access additional human resource (possibly agency) for temporary periods to cope with temporary peaks of demand. 6 I can access additional funding to pay for additional equipment / services. 7 I have full control over my budget. 8 My budget is adequate for my service requirements 9 My staff have access to suitable training and development to enable them to be multi-functional within my business unit.	
access to resources	X	X	5 6 9		
retained earnings	X		6 8		
budget	X		7 8		
assets liquidity	X	X	5 6		
Managerial Flexibility					
suppliers		X	10	10 If I am not happy with my suppliers I can quickly switch to another source 11 My staff are able to carry out each other's roles 12 All tasks within my business unit have formal written processes and procedures. 13 I am able to further develop individual roles within the business unit 14 Staff roles and responsibilities have been widened	
job enlargement	X		14		
control systems	X		10 12		
multi-functional teams	X		11 13 14		
polyvalent personnel	X		11 13 14	15 I feel I am able to handle the managerial tasks associated with the role of the Head of a Business Unit 16 I feel I have the management skills to manage another business unit 17 I am able to reflect on business unit performance 18 I am able to reflect on my own performance 19 Current structures suit my style of management	
job enrichment	X		13		
Metaflexibility					
knowledge acquisition	X		17 18	15 I feel I am able to handle the managerial tasks associated with the role of the Head of a Business Unit 16 I feel I have the management skills to manage another business unit 17 I am able to reflect on business unit performance 18 I am able to reflect on my own performance 19 Current structures suit my style of management	
assimilation	X		17 18		
deutero-learning	X		17 18 19		
know-how		X	15 16		
interchangability		X	15 16 19		
Operational Flexibility					
Variation in volume of production	X		5 20	5 I am able to access additional human resource (possibly agency) for temporary periods to cope with temporary peaks of demand. 10 If I am not happy with my suppliers I can quickly switch to another source 11 My staff are able to carry out each other's roles 12 All tasks within my business unit have formal written processes and procedures. 20 I am often required to react quickly to changes at a strategic level which impact my business unit	
Creation of multivalent teams	X		11		
Out-sourcing	X		5 10		
Use of temp staff	X		5 11 12		
Obtaining resources from different suppliers	X		5 10		
Structural Flexibility					
financial structure	X		6 7 19 22	6 I can access additional funding to pay for additional equipment / services. 7 I have full control over my budget 9 My staff have access to suitable training and development to enable them to be multi-functional within my business unit. 13 I am able to further develop individual roles within the business unit 14 Staff roles and responsibilities have been widened 19 Current structures suit my style of management 21 Corporate HR structures & processes assist me in managing my human resource requirement 22 Corporate financial structures & processes enable me to manage my financial resource requirement in a way that meets my requirements 23 I am able to implement changes within my business unit to enhance service delivery or performance	
human resource structures	X		9 13 14 19 21		
authority					
Job enlargement	X		14		
Multi-functional teams	X		9 13 14		
Polyvalent personnel	X		13 14	8 My budget is adequate for my service requirements 15 I feel I am able to handle the managerial tasks associated with the role of the Head of a Business Unit 16 I feel I have the management skills to manage another business unit 24 I am able to influence corporate policy decisions that impact my business unit 25 Change management within the city council is effective 26 Communication channels within the city council are effective 27 My unit provides a service that meets customer expectations	
teams cross functional?	X		9 23		
Strategic Flexibility					
Speed of strategic change	X		25 26	8 My budget is adequate for my service requirements 15 I feel I am able to handle the managerial tasks associated with the role of the Head of a Business Unit 16 I feel I have the management skills to manage another business unit 24 I am able to influence corporate policy decisions that impact my business unit 25 Change management within the city council is effective 26 Communication channels within the city council are effective 27 My unit provides a service that meets customer expectations	
Variety of alternatives of strategic change	X		24 26		
Control over regulation	X		24		
Organisational form		X	15 16 27		
means of transformation		X	8 15 16 25 26		

* Verdu-Jover et al (2005)

** Volberda (2009)

Appendix iii

Flexibility Survey Questionnaire

Flexibility Questionnaire

Heads of Business Units

8th – 19th March 2010

Introduction

This questionnaire has been designed to enable the City to assess the degree of flexibility that exists within the organisation and whether this has changed as a result of the implementation of the Business Unit structure.

It is recognised that not all Business Units require a high degree of flexibility, indeed there are some for which a high degree of flexibility is inappropriate.

Furthermore, there are often barriers to flexibility that exist within the strategic design of the organisation that prevent managers enacting a more flexible approach.

This questionnaire is not part of the current corporate requirement however it is your opportunity to influence potential corporate changes. Answers will be treated in confidence and hence there is no field for HoBU name within the document.

The questions ask for **two answers** – one for the current Business Unit structure and one for the previous structure. If you were not the manager previously then please still respond to the best of your knowledge – it is the issue of perception that we are trying to ascertain.

Please do not think too long about your answer – your first thought will be the correct answer.

Answers are presented on a scale of 1 – 7. Simply click on the box that you feel is the most appropriate answer for both now and the previous structure.

Save your completed document.

Forward the completed document by email to bill.malloy@liverpool.gov.uk

Final submission date is Friday 19th March 2010.

If you have any problems completing the document or want to ask any questions about the questionnaire, please contact **Bill Malloy** on **07879 470 810**.

Completed forms will be analysed and the resulting report will be submitted to Colin Hilton for his consideration.

A summary of findings will also be produced and distributed to HoBUs. Hopefully some of these questions will also assist you to consider aspects of your business plans.

Thank you for your co-operation in this exercise.

Bill Malloy
Head of Strategic Intelligence Business Unit
Children's Services

Classification questions

1 Are your customers mainly internal or external?

	External	1	2	3	4	5	6	7	Internal
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

2 Would you describe your tasks to be wide and varied (possibly across an aim) or more narrowly defined (possibly quite specialised)?

	Narrow	1	2	3	4	5	6	7	varied
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

3 Are your tasks mainly quick turnarounds or are you able to plan in advance?

	Planned	1	2	3	4	5	6	7	quick
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

4 Are your tasks subject to frequent changes in either legislation or customer requirements?

	Few	1	2	3	4	5	6	7	frequent
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Financial Flexibility

5 I am able to access additional human resource (possibly agency) for temporary periods to cope with temporary peaks of demand.

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

6 I can access additional funding to pay for additional equipment / services.

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

7 I have full control over my budget

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

8 My budget is adequate for my service requirements

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

9 My staff have access to suitable training and development to enable them to be multi-functional within my business unit.

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Managerial Flexibility

10 If I am not happy with my suppliers I can quickly switch to another source

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

11 My staff are able to carry out each other's roles

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

12 All tasks within my business unit have formal written processes and procedures.

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

13 I am able to further develop individual roles within the business unit

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

14 Staff roles and responsibilities have been widened

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Metaflexibility

15 I feel I am able to handle the managerial tasks associated with the role of the Head of a Business Unit

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

16 I feel I have the management skills to manage another business unit

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

17 I am able to reflect on business unit performance

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

18 I am able to reflect on my own performance

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

19 Current structures suit my style of management

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Operational / Structural / Strategic Flexibilities

20 I am often required to react quickly to changes at a strategic level which impact my business unit

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

21 Corporate HR structures & processes assist me in managing my human resource requirement

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

22 Corporate financial structures & processes enable me to manage my financial resource requirement in a way that meets my requirements

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

23 I am able to implement changes within my business unit to enhance service delivery or performance

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

24 I am able to influence corporate policy decisions that impact my business unit

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

25 Change management within the city council is effective

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

26 Communication channels within the city council are effective

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

27 My unit provides a service that meets customer expectations

	Disagree	1	2	3	4	5	6	7	agree
Now		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Previous		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Comments:

Appendix iv

Flexibility Survey Questionnaire

Response Key

Form	Surname	First	Aim
1	XXX	xxx	2
2	XXX	xxx	2
3	XXX	xxx	2
4	XXX	xxx	3
5	XXX	xxx	3
6	XXX	xxx	2
7	XXX	xxx	4
8	XXX	xxx	3
9	XXX	xxx	2
10	XXX	xxx	2
11	XXX	xxx	2
12	XXX	xxx	4
13	XXX	xxx	4
14	XXX	xxx	4
15	XXX	xxx	2
16	XXX	xxx	3
17	XXX	xxx	4
18	XXX	xxx	1
19	XXX	xxx	4
20	XXX	xxx	3
21	XXX	xxx	3
22	XXX	xxx	2
23	XXX	xxx	4
24	XXX	xxx	3
25	XXX	xxx	3
26	XXX	xxx	2
27	XXX	xxx	2
28	XXX	xxx	2
29	XXX	xxx	4
30	XXX	xxx	3
31	XXX	xxx	4
32	XXX	xxx	1
33	XXX	xxx	1
34	XXX	xxx	3
35	XXX	xxx	4
36	XXX	xxx	4
37	XXX	xxx	1
38	XXX	xxx	3
39	XXX	xxx	3
40	XXX	xxx	2
41	XXX	xxx	3
42	XXX	xxx	4
43	XXX	xxx	2
44	XXX	xxx	1
45	XXX	xxx	3
46	XXX	xxx	4
47	XXX	xxx	4
48	XXX	xxx	1
49	XXX	xxx	2
50	XXX	xxx	1
51	XXX	xxx	4

Appendix v

Flexibility Survey Questionnaire

Response Analysis Tables

Table 1 - Required flexibility

Required Flex			
Business Unit	Now	Prev	Var
001	3.00	3.00	0.00
002	5.00	4.75	0.25
003	3.25	3.75	-0.50
004	3.50	3.50	0.00
005	2.25	2.25	0.00
006	4.75	4.50	0.25
007	2.75	2.75	0.00
008	3.75	3.75	0.00
009	5.00	3.75	1.25
010	3.00	2.50	0.50
011	3.75	3.75	0.00
012	3.75	4.00	-0.25
013	3.75	3.75	0.00
014	4.25	4.25	0.00
015	4.25	4.00	0.25
016	4.50	4.00	0.50
017	4.25	4.25	0.00
018	3.50	3.50	0.00
019	4.50	4.50	0.00
020	2.25	2.25	0.00
021	5.00	5.00	0.00
022	5.25	5.25	0.00
023	3.00	3.00	0.00
024	3.50	3.25	0.25
025	3.50	3.25	0.25
026	4.00	4.00	0.00
027	2.75	2.50	0.25
028	3.00	2.75	0.25
029	5.25	5.25	0.00
030	2.75	2.75	0.00
031	4.50	4.75	-0.25
032	4.75	4.50	0.25
033	4.00	5.25	-1.25
034	4.25	3.75	0.50
035	4.75	4.75	0.00
036	2.25	2.25	0.00
037	3.50	3.50	0.00
038	4.00	3.50	0.50
039	3.33	3.00	0.33
040	5.00	5.00	0.00
041	4.25	4.25	0.00
042	4.75	4.25	0.50
043	3.50	3.25	0.25
044	4.00	4.00	0.00
045	3.25	3.25	0.00
046	5.50	6.50	-1.00
047	5.33	5.00	0.33
048	2.75	2.75	0.00
049	3.50	3.50	0.00
050	4.75	4.50	0.25
051	6.00	6.00	0.00

Table 2 - Total flexibility

Total Flexibility			
Business Unit	Now	Prev	Var
001	2.77	3.50	-0.73
002	5.48	3.48	2.00
003	4.41	3.95	0.45
004	4.18	3.68	0.50
005	4.82	4.38	0.44
006	4.62	3.48	1.14
007	4.86	4.86	0.00
008	4.50	4.09	0.41
009	3.32	2.86	0.45
010	5.05	5.05	0.00
011	3.71	3.45	0.26
012	5.64	4.68	0.95
013	4.14	4.55	-0.41
014	3.59	3.35	0.24
015	4.82	3.86	0.95
016	5.45	4.73	0.73
017	5.18	5.05	0.14
018	4.59	4.41	0.18
019	4.77	3.68	1.09
020	4.55	4.41	0.14
021	4.82	4.50	0.32
022	5.43	5.62	-0.19
023	4.95	4.91	0.05
024	5.14	4.32	0.82
025	4.36	4.18	0.18
026	4.45	4.45	0.00
027	5.32	5.19	0.13
028	4.00	3.95	0.05
029	3.23	3.23	0.00
030	5.33	4.48	0.86
031	5.36	5.59	-0.23
032	3.82	4.00	-0.18
033	4.00	4.41	-0.41
034	4.05	4.05	-0.00
035	4.19	3.55	0.64
036	4.55	4.32	0.23
037	4.09	5.09	-1.00
038	4.18	3.59	0.59
039	4.67	4.14	0.52
040	5.23	4.68	0.55
041	3.77	4.05	-0.27
042	5.86	5.23	0.64
043	4.81	4.33	0.48
044	5.45	4.24	1.22
045	4.32	3.45	0.86
046	2.77	2.09	0.68
047	4.59	4.68	-0.09
048	3.95	3.86	0.09
049	4.09	3.82	0.27
050	4.23	3.86	0.37
051	3.14	3.14	0.00

Table 3 - Flexibility Gap

Flexibility Gap							
Business Unit	Now			Previous			Change in Var
	Required	Total	Variance	Required	Total	Variance	
001	3.00	2.77	-0.23	3.00	3.50	0.50	-0.73
002	5.00	5.48	0.48	4.75	3.48	-1.27	1.75
003	3.25	4.41	1.16	3.75	3.95	0.20	0.95
004	3.50	4.18	0.68	3.50	3.68	0.18	0.50
005	2.25	4.82	2.57	2.25	4.38	2.13	0.44
006	4.75	4.62	-0.13	4.50	3.48	-1.02	0.89
007	2.75	4.86	2.11	2.75	4.86	2.11	0.00
008	3.75	4.50	0.75	3.75	4.09	0.34	0.41
009	5.00	3.32	-1.68	3.75	2.86	-0.89	-0.80
010	3.00	5.05	2.05	2.50	5.05	2.55	-0.50
011	3.75	3.71	-0.04	3.75	3.45	-0.30	0.26
012	3.75	5.64	1.89	4.00	4.68	0.68	1.20
013	3.75	4.14	0.39	3.75	4.55	0.80	-0.41
014	4.25	3.59	-0.66	4.25	3.35	-0.90	0.24
015	4.25	4.82	0.57	4.00	3.86	-0.14	0.70
016	4.50	5.45	0.95	4.00	4.73	0.73	0.23
017	4.25	5.18	0.93	4.25	5.05	0.80	0.14
018	3.50	4.59	1.09	3.50	4.41	0.91	0.18
019	4.50	4.77	0.27	4.50	3.68	-0.82	1.09
020	2.25	4.55	2.30	2.25	4.41	2.16	0.14
021	5.00	4.82	-0.18	5.00	4.50	-0.50	0.32
022	5.25	5.43	0.18	5.25	5.62	0.37	-0.19
023	3.00	4.95	1.95	3.00	4.91	1.91	0.05
024	3.50	5.14	1.64	3.25	4.32	1.07	0.57
025	3.50	4.36	0.86	3.25	4.18	0.93	-0.07
026	4.00	4.45	0.45	4.00	4.45	0.45	0.00
027	2.75	5.32	2.57	2.50	5.19	2.69	-0.12
028	3.00	4.00	1.00	2.75	3.95	1.20	-0.20
029	5.25	3.23	-2.02	5.25	3.23	-2.02	0.00
030	2.75	5.33	2.58	2.75	4.48	1.73	0.86
031	4.50	5.36	0.86	4.75	5.59	0.84	0.02
032	4.75	3.82	-0.93	4.50	4.00	-0.50	-0.43
033	4.00	4.00	0.00	5.25	4.41	-0.84	0.84
034	4.25	4.05	-0.20	3.75	4.05	0.30	-0.50
035	4.75	4.19	-0.56	4.75	3.55	-1.20	0.64
036	2.25	4.55	2.30	2.25	4.32	2.07	0.23
037	3.50	4.09	0.59	3.50	5.09	1.59	-1.00
038	4.00	4.18	0.18	3.50	3.59	0.09	0.09
039	3.33	4.67	1.33	3.00	4.14	1.14	0.19
040	5.00	5.23	0.23	5.00	4.68	-0.32	0.55
041	4.25	3.77	-0.48	4.25	4.05	-0.20	-0.27
042	4.75	5.86	1.11	4.25	5.23	0.98	0.14
043	3.50	4.81	1.31	3.25	4.33	1.08	0.23
044	4.00	5.45	1.45	4.00	4.24	0.24	1.22
045	3.25	4.32	1.07	3.25	3.45	0.20	0.86
046	5.50	2.77	-2.73	6.50	2.09	-4.41	1.68
047	5.33	4.59	-0.74	5.00	4.68	-0.32	-0.42
048	2.75	3.95	1.20	2.75	3.86	1.11	0.09
049	3.50	4.09	0.59	3.50	3.82	0.32	0.27
050	4.75	4.23	-0.52	4.50	3.86	-0.64	0.12
051	6.00	3.14	-2.86	6.00	3.14	-2.86	0.00

Table 4 - Financial flexibility

Financial Flexibility			
Business Unit	Now	Prev	Var
001	2.00	2.80	-0.80
002	5.75	3.25	2.50
003	4.20	4.00	0.20
004	2.80	2.60	0.20
005	5.20	5.80	-0.60
006	4.00	2.40	1.60
007	5.00	5.00	0.00
008	3.80	3.80	0.00
009	3.00	3.00	0.00
010	3.60	5.20	-1.60
011	2.25	2.40	-0.15
012	6.00	5.20	0.80
013	2.80	4.60	-1.80
014	2.40	2.80	-0.40
015	4.20	3.80	0.40
016	4.40	4.20	0.20
017	4.60	4.00	0.60
018	3.40	3.40	0.00
019	4.60	2.40	2.20
020	4.20	4.20	0.00
021	3.00	2.80	0.20
022	5.40	6.20	-0.80
023	5.20	5.20	0.00
024	6.20	6.00	0.20
025	3.80	3.60	0.20
026	4.60	4.60	0.00
027	4.20	4.80	-0.60
028	4.20	4.20	0.00
029	1.20	1.20	0.00
030	4.20	4.60	-0.40
031	5.60	6.00	-0.40
032	2.60	2.80	-0.20
033	3.20	5.00	-1.80
034	3.40	4.00	-0.60
035	3.60	3.40	0.20
036	4.00	4.00	0.00
037	2.40	4.80	-2.40
038	3.00	2.80	0.20
039	4.25	4.40	-0.15
040	5.80	5.80	0.00
041	4.00	4.60	-0.60
042	4.20	4.80	-0.60
043	4.60	4.40	0.20
044	6.00	4.20	1.80
045	3.00	3.60	-0.60
046	2.00	1.60	0.40
047	4.00	4.00	0.00
048	2.40	2.40	0.00
049	4.20	4.20	0.00
050	3.40	4.00	-0.60
051	1.80	1.80	0.00

Table 5 - Managerial flexibility

Managerial Flexibility			
Business Unit	Now	Prev	Var
001	1.80	3.20	-1.40
002	4.80	3.00	1.80
003	4.40	3.80	0.60
004	4.40	4.00	0.40
005	4.40	4.40	0.00
006	5.25	4.00	1.25
007	4.40	4.40	0.00
008	4.60	4.20	0.40
009	3.40	2.80	0.60
010	5.80	6.60	-0.80
011	3.60	3.20	0.40
012	5.20	4.60	0.60
013	4.60	4.60	0.00
014	3.80	3.80	0.00
015	4.40	3.60	0.80
016	5.40	3.60	1.80
017	4.00	4.00	0.00
018	3.40	3.40	0.00
019	4.20	4.20	0.00
020	3.60	3.60	0.00
021	4.40	4.00	0.40
022	4.80	4.80	0.00
023	5.60	5.60	0.00
024	4.25	3.20	1.05
025	4.00	4.00	0.00
026	4.80	4.80	0.00
027	5.40	5.60	-0.20
028	4.40	4.20	0.20
029	3.20	3.20	0.00
030	6.00	4.60	1.40
031	6.00	6.40	-0.40
032	4.00	4.00	0.00
033	5.40	5.40	0.00
034	3.20	3.20	0.00
035	3.75	2.75	1.00
036	4.40	4.40	0.00
037	4.00	4.00	0.00
038	4.60	3.60	1.00
039	3.60	3.50	0.10
040	4.40	4.00	0.40
041	3.60	3.20	0.40
042	5.60	4.80	0.80
043	4.40	4.20	0.20
044	4.20	3.40	0.80
045	5.00	3.80	1.20
046	2.20	1.40	0.80
047	4.00	4.20	-0.20
048	3.40	3.40	0.00
049	3.80	3.60	0.20
050	5.40	4.20	1.20
051	3.50	3.50	0.00

Table 6 - Metaflexibility			
Metaflexibility			
Business Unit	Now	Prev	Var
001	3.80	3.60	0.20
002	6.80	4.60	2.20
003	4.40	3.80	0.60
004	6.20	6.00	0.20
005	6.40	5.20	1.20
006	4.60	3.80	0.80
007	6.00	6.00	0.00
008	3.20	5.40	-2.20
009	2.80	2.80	0.00
010	6.60	5.60	1.00
011	5.40	5.20	0.20
012	6.00	4.00	2.00
013	6.20	6.20	0.00
014	6.40	6.00	0.40
015	6.20	4.40	1.80
016	7.00	7.00	0.00
017	7.00	7.00	0.00
018	6.80	6.00	0.80
019	6.00	5.20	0.80
020	5.40	5.20	0.20
021	7.00	6.20	0.80
022	6.50	6.50	0.00
023	5.40	5.40	0.00
024	5.80	4.80	1.00
025	5.40	5.20	0.20
026	6.40	6.40	0.00
027	7.00	7.00	0.00
028	5.00	5.00	0.00
029	6.20	6.20	0.00
030	5.80	4.00	1.80
031	6.40	6.60	-0.20
032	5.40	5.40	0.00
033	4.80	5.00	-0.20
034	4.60	4.40	0.20
035	5.80	5.00	0.80
036	5.80	5.00	0.80
037	5.60	6.20	-0.60
038	4.40	3.80	0.60
039	6.00	4.20	1.80
040	6.20	5.60	0.60
041	4.40	5.00	-0.60
042	7.00	6.00	1.00
043	5.50	4.75	0.75
044	7.00	5.75	1.25
045	4.40	3.20	1.20
046	3.40	2.40	1.00
047	5.80	6.00	-0.20
048	6.20	5.60	0.60
049	4.80	4.20	0.60
050	4.40	4.20	0.20
051	5.80	5.80	0.00

Table 7 - Operational flexibility

Operational Flexibility			
Business Unit	Now	Prev	Var
001	2.60	4.00	-1.40
002	4.80	3.00	1.80
003	4.40	3.80	0.60
004	4.00	3.80	0.20
005	4.60	3.60	1.00
006	3.40	3.00	0.40
007	5.60	5.60	0.00
008	3.60	3.60	0.00
009	3.20	3.00	0.20
010	6.20	5.80	0.40
011	3.60	2.80	0.80
012	5.00	4.60	0.40
013	5.80	5.80	0.00
014	4.00	4.00	0.00
015	4.20	3.60	0.60
016	5.00	4.00	1.00
017	3.40	3.40	0.00
018	3.80	3.80	0.00
019	4.00	4.00	0.00
020	3.20	3.20	0.00
021	3.00	2.60	0.40
022	5.40	5.40	0.00
023	5.20	5.20	0.00
024	4.00	3.80	0.20
025	3.80	3.80	0.00
026	4.20	4.20	0.00
027	5.40	5.60	-0.20
028	4.00	4.00	0.00
029	3.60	3.60	0.00
030	5.20	4.60	0.60
031	5.80	6.20	-0.40
032	4.00	4.00	0.00
033	5.00	5.80	-0.80
034	4.60	3.40	1.20
035	3.60	2.40	1.20
036	3.40	3.40	0.00
037	3.40	3.80	-0.40
038	3.80	3.20	0.60
039	3.40	3.00	0.40
040	5.20	4.80	0.40
041	4.20	4.60	-0.40
042	5.80	5.40	0.40
043	4.00	4.20	-0.20
044	4.00	3.00	1.00
045	4.20	3.40	0.80
046	3.40	3.20	0.20
047	4.60	4.80	-0.20
048	2.80	2.80	0.00
049	4.00	4.00	0.00
050	4.60	4.20	0.40
051	2.80	2.80	0.00

Table 8 - Structural flexibility

Structural Flexibility			
Business Unit	Now	Prev	Var
001	2.78	3.44	-0.67
002	5.38	3.13	2.25
003	4.22	3.89	0.33
004	3.44	2.67	0.78
005	4.22	4.75	-0.53
006	5.11	3.44	1.67
007	4.11	4.11	0.00
008	4.00	4.00	0.00
009	3.44	3.00	0.44
010	4.56	4.78	-0.22
011	3.00	3.22	-0.22
012	5.89	4.89	1.00
013	2.78	3.11	-0.33
014	2.89	2.89	0.00
015	4.56	3.67	0.89
016	4.67	4.00	0.67
017	5.33	5.00	0.33
018	4.11	3.89	0.22
019	4.67	3.11	1.56
020	4.56	4.44	0.11
021	4.89	4.33	0.56
022	5.13	5.13	0.00
023	4.67	4.67	0.00
024	5.44	4.78	0.67
025	4.11	3.78	0.33
026	4.44	4.44	0.00
027	5.00	4.78	0.22
028	3.44	3.33	0.11
029	2.00	2.00	0.00
030	5.13	4.38	0.75
031	5.22	5.56	-0.33
032	3.33	3.78	-0.44
033	3.89	4.56	-0.67
034	3.22	3.78	-0.56
035	4.13	3.56	0.57
036	4.22	4.11	0.11
037	3.67	4.78	-1.11
038	4.22	3.67	0.56
039	4.50	4.22	0.28
040	5.11	4.56	0.56
041	3.33	3.44	-0.11
042	5.56	4.89	0.67
043	4.89	4.22	0.67
044	5.56	4.13	1.43
045	4.56	4.00	0.56
046	2.56	1.44	1.11
047	4.78	4.78	0.00
048	4.11	4.00	0.11
049	3.89	3.67	0.22
050	4.22	3.63	0.60
051	2.22	2.22	0.00

Table 9 - Strategic flexibility

Strategic Flexibility			
Business Unit	Now	Prev	Var
001	3.17	3.00	0.17
002	5.67	3.83	1.83
003	4.67	4.17	0.50
004	4.67	4.17	0.50
005	5.17	4.33	0.83
006	4.00	3.17	0.83
007	4.67	4.67	0.00
008	3.67	3.67	0.00
009	3.17	2.67	0.50
010	4.33	4.67	-0.33
011	4.20	3.67	0.53
012	5.67	4.67	1.00
013	3.83	4.83	-1.00
014	3.17	2.80	0.37
015	5.33	4.17	1.17
016	6.50	5.67	0.83
017	5.83	5.83	0.00
018	5.33	5.33	0.00
019	5.17	3.50	1.67
020	5.33	5.00	0.33
021	5.50	5.50	0.00
022	5.67	6.33	-0.67
023	4.67	4.50	0.17
024	4.67	4.00	0.67
025	4.67	4.50	0.17
026	4.00	4.00	0.00
027	5.17	4.80	0.37
028	4.33	4.33	0.00
029	3.50	3.50	0.00
030	5.50	4.67	0.83
031	4.67	4.67	0.00
032	3.67	3.67	0.00
033	3.00	2.83	0.17
034	4.17	4.17	0.00
035	4.33	3.40	0.93
036	5.50	5.50	0.00
037	4.67	6.33	-1.67
038	4.00	3.33	0.67
039	5.50	4.33	1.17
040	4.83	4.00	0.83
041	3.17	3.83	-0.67
042	6.00	5.33	0.67
043	5.17	4.67	0.50
044	6.00	4.67	1.33
045	3.67	2.67	1.00
046	2.50	2.17	0.33
047	4.33	4.33	0.00
048	4.00	4.17	-0.17
049	4.17	3.83	0.33
050	3.83	3.83	0.00
051	3.00	3.00	0.00

